

# THE COMMISSIONERS OF HER MAJESTY'S TREASURY

## RULES OF THE 2009 ASSET-BACKED SECURITIES GUARANTEE SCHEME

### 1 General

- 1.1 On 19 January 2009 The Commissioners of Her Majesty's Treasury announced the ABS Scheme (as defined below) and on 22 April 2009 the Deed of Guarantee (as referred to below) was executed by The Commissioners of Her Majesty's Treasury.
- 1.2 These are the rules of the ABS Scheme in force on 22 April 2009.

### 2 Definitions

- 2.1 In these Rules the following expressions have the following meanings:

ABS Credit Guarantee	means the Guarantee referred to in clause 2 of the Deed of Guarantee
ABS Liquidity Guarantee	means the Guarantee referred to in clause 3 of the Deed of Guarantee
ABS Rules or Rules	means these rules (including the Annexes) as varied, amended, supplemented and substituted and in force from time to time
ABS Scheme	means 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 DMO on 22 April 2009
ABS Scheme Institution Criteria	means the criteria set out in Annex 1
ABS Transaction Confirmation	means the certificate issued pursuant to Rule 5.1 by the Guarantor to an Eligible ABS Institution confirming that the relevant ABS Transaction complies with the ABS Transaction Eligibility Criteria
Applicant	means the Eligible ABS Institution making an Application
Application	means an application made under Rule 4.1 or Rule 4.3
Business Day	means a day (excluding Saturday and Sunday) on which banks are generally open in London for the transaction of banking business
Closing Certificate	means a certificate signed on behalf of the Issuer substantially in the form set out in Annex 9

Closing Date	in respect of an issue of Eligible Securities means, as the context requires, the intended date or the actual date of issue of those Eligible Securities
Counter-Indemnity	means an Issuer Counter-Indemnity or an Eligible ABS Institution Counter-Indemnity, as the context requires
2008 Credit Guarantee Scheme	means the 2008 Credit Guarantee Scheme described in the Market Notice entitled "The UK Government's 2008 Credit Guarantee Scheme" issued by the DMO on 13 October 2008
Deed of Guarantee	means the Deed of Guarantee under which are constituted the Guarantees in respect of the ABS Scheme dated 22 April 2009 and executed by The Commissioners of Her Majesty's Treasury, as amended and supplemented from time to time
DMO	means The United Kingdom Debt Management Office
Eligible ABS Institution Counter-Indemnity	means a deed of counter-indemnity to be provided under Rule 5.2.2
Fee	in respect of an ABS Eligibility Certificate means the fee determined by the Guarantor in accordance with Rule 8 in respect of that ABS Eligibility Certificate
Fee Letter	in respect of a Fee means the letter referred to in Rule 8.6 in respect of that Fee
Final Application Date	has the meaning given in Rule 4.1
Fitch	means Fitch Ratings Ltd.
Guarantee	means an ABS Credit Guarantee or an ABS Liquidity Guarantee
Guarantee Statement	means the statement referred to in Rule 9.1
Initial Eligible ABS Institution	means an institution which as at 22 April 2009 is an Eligible Institution as defined under and for the purposes of the 2008 Credit Guarantee Scheme
Interest Payment Date	in respect of an Eligible Security means each scheduled interest payment date in respect of that Eligible Security
Issuer Counter-Indemnity	means a deed of counter-indemnity to be provided under Rule 5.5.6

Moody's	means Moody's Investors Service Limited
Rating Agencies	means each of Fitch, Moody's and S&P
Relevant Guarantor Transaction Legal Opinions	means the legal opinions to be provided under Rule 5.5.8 and which comply with the requirements set out in Annex 14
Relevant Transaction Legal Opinions	in respect of Guaranteed Liabilities means each legal opinion, addressed to each and any of the Issuer, the trustee(s) and the managers (howsoever called), concerning in any respect the valid, binding and enforceable nature of the obligations comprised in the Guaranteed Liabilities and the related ABS Transaction Documentation, delivered or to be delivered to the addressees thereof at the time of issue of the Guaranteed Liabilities
S&P	means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

2.2 Words and expressions defined in the Deed of Guarantee have the same meanings where used in these ABS Rules.

2.3 References to an Annex are to an Annex to these ABS Rules.

### **3 ABS Scheme Institution Certificates**

3.1 An Initial Eligible ABS Institution may request to be registered with the Guarantor as a participant in the ABS Scheme by delivering by hand the request, in writing, signed by a duly authorised officer of the Initial Eligible ABS Institution, to Team Leader, Intervention Strategy and Markets, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ, with a copy of the request emailed to the DMO at [absapplication@dmo.gsi.gov.uk](mailto:absapplication@dmo.gsi.gov.uk).

3.2 An institution which is not an Initial Eligible ABS Institution may request to be registered with the Guarantor as a participant in the ABS Scheme provided that the institution satisfies the ABS Scheme Institution Criteria. The request must be in writing, signed by a duly authorised officer of the institution, and delivered by hand to Team Leader, Intervention Strategy and Markets, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ, with a copy of the request emailed to the DMO at [absapplication@dmo.gsi.gov.uk](mailto:absapplication@dmo.gsi.gov.uk).

3.3 The Guarantor may confirm the registration of the Initial Eligible ABS Institution making the request under Rule 3.1, or the institution making the request under Rule 3.2, in either case, as a participant in the ABS Scheme by issuing to the Initial Eligible ABS Institution or the institution, as the case may be, an ABS Scheme Institution Certificate.

3.4 An ABS Scheme Institution Certificate shall be substantially in the form of Annex 2.

## **4 Applications**

- 4.1 An Eligible ABS Institution shall be entitled, until (and including) 22 September 2009 (the “**Final Application Date**”) (or such later date as may be determined by the Guarantor in its discretion), to apply for an ABS Transaction Confirmation in respect of a proposed ABS Transaction.
- 4.2 An Application under Rule 4.1 must be made in the form of Annex 3.
- 4.3 An Eligible ABS Institution which holds an ABS Transaction Confirmation in respect of an ABS Transaction shall be entitled, until the date that is one calendar month after the Final Application Date (as extended under Rule 4.1, if applicable), to apply for an ABS Eligibility Certificate in respect of Eligible Securities under that proposed ABS Transaction.
- 4.4 An Application under Rule 4.3 must be made in the form of Annex 4.
- 4.5 Unless otherwise agreed by the DMO, an Application under Rule 4.1 or Rule 4.3 must be signed by a duly authorised officer of the Eligible ABS Institution and delivered by hand to the DMO at Eastcheap Court, 11 Philpot Lane, London EC3M 8UD and by email to [absapplication@dmo.gsi.gov.uk](mailto:absapplication@dmo.gsi.gov.uk), with a copy delivered by hand to Team Leader, Intervention Strategy and Markets, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ.
- 4.6 An Application which is incomplete or incorrect will be treated as not having been made.

## **5 Issue of ABS Transaction Confirmations and of ABS Eligibility Certificates, and Issuance of Guaranteed Liabilities**

### *Issue of ABS Transaction Confirmations*

- 5.1 The decision to issue an ABS Transaction Confirmation shall be at the discretion of the Guarantor, but shall be made in accordance with these ABS Rules.
- 5.2 No ABS Transaction Confirmation in respect of an ABS Transaction will be issued unless, prior to the issue, the following conditions have been fulfilled:
- 5.2.1 the Applicant shall have delivered to the DMO an Application under Rule 4.1;
- 5.2.2 the Applicant shall have delivered to the DMO (i) an executed Eligible ABS Institution Counter-Indemnity in form and substance satisfactory to the Guarantor and (ii) a signed legal opinion in respect of that executed Eligible ABS Institution Counter-Indemnity addressed to the Guarantor, in form and substance satisfactory to the Guarantor, from the external legal advisers to the relevant Eligible ABS Institution and any additional counter-indemnitor under Rule 6.3; and
- 5.2.3 in the case only where the Application is in respect of an ABS Credit Guarantee, the Applicant shall have delivered to the DMO (i) a draft Issuer Counter-

Indemnity in form and substance satisfactory to the Guarantor and (ii) a draft legal opinion in respect of that draft Issuer Counter-Indemnity, in form and substance satisfactory to the Guarantor, from the external legal advisers to the relevant Issuer.

5.3 An ABS Transaction Confirmation shall be substantially in the form of Annex 7.

*Issue of ABS Eligibility Certificates*

5.4 The decision to issue an ABS Eligibility Certificate shall be at the discretion of the Guarantor, but shall be made in accordance with these ABS Rules.

5.5 No ABS Eligibility Certificate in respect of an Eligible Security will be issued unless the following conditions have been fulfilled:

5.5.1 an ABS Transaction Confirmation shall have been issued under Rule 5.1 in respect of the ABS Transaction under which the Eligible Securities will be issued;

5.5.2 not less than five Business Days prior to the Closing Date, an Application shall have been duly delivered to the DMO under Rule 4.3;

5.5.3 not less than five Business Days prior to the Closing Date, the Applicant shall have delivered to the DMO the applicable Fee Letter countersigned by the Applicant;

5.5.4 not less than five Business Days prior to the Closing Date, there shall have been delivered to the DMO a draft of each of the Relevant Transaction Legal Opinions, in each case addressed to the Guarantor;

5.5.5 not less than five Business Days prior to the Closing Date, there shall have been delivered to the DMO a draft of each of the Relevant Guarantor Transaction Legal Opinions;

5.5.6 in the case only where the Application is in respect of an ABS Credit Guarantee, not less than five Business Days prior to the Closing Date, there shall have been delivered to the DMO an Issuer Counter-Indemnity in the form of the draft referred to in Rule 5.2.3(i) and (ii) a signed legal opinion in respect of that executed Issuer Counter-Indemnity addressed to the Guarantor in the form of the draft referred to in Rule 5.2.3(ii);

5.5.7 there shall have been delivered to the DMO the Relevant Transaction Legal Opinions, addressed to the Guarantor in form and substance satisfactory to the DMO;

5.5.8 there shall have been delivered to the DMO the Relevant Guarantor Transaction Legal Opinions in form and substance satisfactory to the DMO;

- 5.5.9 there shall have been delivered to the DMO a copy of the confirmations of the AAA credit rating assigned to the Eligible Securities by the relevant Rating Agencies on the basis that the Eligible Securities do not carry a Guarantee;
  - 5.5.10 there shall have been delivered to the DMO a signed Closing Certificate in form and substance satisfactory to the DMO; and
  - 5.5.11 there shall have been delivered to the DMO such other documents as the DMO shall have notified to the Eligible ABS Institution prior to the Closing Date.
- 5.6 Each of the time periods referred to in Rules 5.5.2 to 5.5.6 (inclusive) may be shortened, at the discretion of the DMO.
  - 5.7 An Eligible Security may carry an ABS Credit Guarantee or an ABS Liquidity Guarantee but not both.
  - 5.8 An ABS Eligibility Certificate shall be substantially in the form of Annex 8 and shall be dated the Closing Date.

*Issuance of Guaranteed Liabilities*

- 5.9 The Eligible ABS Institution must procure that no Guaranteed Liability, in respect of which an ABS Eligibility Certificate has been issued, is issued by the relevant Issuer which differs in any respect from the particulars of the Guaranteed Liabilities specified in the relevant ABS Transaction Confirmation and ABS Eligibility Certificate.

**6 Counter-Indemnities**

*Eligible ABS Institution Counter-Indemnities*

- 6.1 Subject to Rule 6.3, each Eligible ABS Institution Counter-Indemnity must be substantially in the form of Annex 10 or such other form as is approved by the Guarantor.
- 6.2 Each Eligible ABS Institution Counter-Indemnity shall be executed as a deed by the relevant Eligible ABS Institution and by any additional counter-indemnitor under Rule 6.3.
- 6.3 The Guarantor shall be entitled, in its discretion, to require any member of the corporate group of which the Eligible ABS Institution is a member to become an additional counter-indemnitor under the Eligible ABS Institution Counter-Indemnity, in which event the liability of the Eligible ABS Institution and the additional counter-indemnitor shall be expressed to be joint and several under the Eligible ABS Institution Counter-Indemnity and the form of the Eligible ABS Institution Counter-Indemnity in Annex 10 shall be modified accordingly, all as required by the Guarantor.
- 6.4 The Guarantor shall, as a condition to the issue of an ABS Transaction Confirmation, be entitled to require the making of any amendment or supplement to an Eligible ABS Institution Counter-Indemnity which has previously been delivered to it, and the delivery to it of a further legal opinion of the kind referred to in Rule 5.2.2(ii).

### *Issuer Counter-Indemnity*

- 6.5 Each Issuer Counter-Indemnity must be substantially in the form of Annex 11 or such other form as is approved by the Guarantor.
- 6.6 Each Issuer Counter-Indemnity shall be executed as a deed by the relevant Issuer.

## **7 Provision of Information to DMO**

- 7.1 Following the making of an Application under Rule 4.1, the Eligible ABS Institution must consult with the DMO, as required by the DMO, in relation to any proposal by the Eligible ABS Institution to procure the issue of the Eligible Securities under the ABS Transaction to which that Application relates.
- 7.2 The Eligible ABS Institution must procure that the following are provided to the DMO:
  - 7.2.1 at the same time as they are provided to holders of the Eligible Securities, copies of all notices, reports and other information provided to such holders;
  - 7.2.2 at the same time as it is provided to a Rating Agency in relation to an ABS Transaction, a copy of all information so provided;
  - 7.2.3 particulars of the Eligible Securities held by or on behalf of the Eligible ABS Institution, the Issuer of the Eligible Securities or any Affiliate of either of them; and
  - 7.2.4 such other information concerning the ABS Transaction and the related Guaranteed Liabilities as the DMO may reasonably request.
- 7.3 The Eligible ABS Institution must procure that there is provided to the DMO (i) on a quarterly basis after the Closing Date (or as otherwise agreed with the DMO) the data relating to the mortgage loans and related security which back the related Eligible Securities in the form in which such data are prepared and maintained by the relevant servicer, and (ii) on a monthly basis after the Closing Date (or as otherwise agreed with the DMO) data relating to any delinquent mortgage loans which back the related Eligible Securities, in each case with only those omissions necessary to comply with mandatory data protection requirements.

## **8 Fees**

- 8.1 The Guarantor shall be entitled to determine the amount of, and to charge the Eligible ABS Institution, a Fee for the issue of an ABS Eligibility Certificate.
- 8.2 The determination of the amount of the Fee shall be made as follows:
  - 8.2.1 the Fee shall be based on a per annum rate of 25 basis points plus 100% of the Eligible ABS Institution's median five-year credit default swap spread, determined by the Guarantor, in its discretion, from publicly available data,

during the period from 2 July 2007 to 1 July 2008, applied, in respect of the first Interest Payment Date of the Eligible Security, to the principal amount outstanding of such Eligible Security as at the relevant Closing Date and, in respect of any subsequent Interest Payment Date in respect of such Eligible Security, to the principal amount outstanding of the Eligible Security immediately following the immediately preceding Interest Payment Date;

- 8.2.2 the Guarantor may derive and apply its own estimate of an appropriate spread if the relevant data referred to in Rule 8.2.1 are not publicly available; and
  - 8.2.3 where the currency of the Guaranteed Liability is not Sterling, the Fee shall be increased to reflect the costs that would, in the opinion of the Guarantor, be incurred by the Guarantor in making payment under the Guarantee in respect of the Guaranteed Liability other than in Sterling.
- 8.3 The Fee shall be payable in Sterling by the Eligible ABS Institution or, failing which, the Issuer.
- 8.4 The Fee shall accrue daily on an actual/365 basis over the period commencing on (and including) the date of issue of the relevant Eligible Security and ending on (but excluding):
- 8.4.1 in the case of an Eligible Security which carries an ABS Credit Guarantee, the date that is the earlier of (i) the date on which the Eligible Security is redeemed in full and (ii) the Guarantee Expiry Date; and
  - 8.4.2 in the case of an Eligible Security which carries an ABS Liquidity Guarantee:
    - (i) in the case of an Eligible ABS Call, the date that is the earlier of (i) the date on which the Eligible Security is redeemed in full and (ii) the relevant Call Date; or
    - (ii) in the case of an Eligible ABS Put, the date that is the earlier of (i) the date on which the Eligible Security is redeemed in full and (ii) the relevant Put Date.
- 8.5 The Fee shall be payable in respect of each interest period relating to the relevant Eligible Security, in arrear, on the Interest Payment Date in respect of the relevant interest period. If the due date for payment of the Fee is not a Business Day, the payment shall be made on the next following Business Day.
- 8.6 The amount, and other details, in respect of the Fee shall be recorded in a letter from the DMO to the Eligible ABS Institution substantially in the form of Annex 12, which shall be countersigned by the Eligible ABS Institution and the Issuer.



## **9 Guarantee Statement and Website**

- 9.1 The Guarantor will establish and maintain a website on which may be published from time to time a statement of outstanding issued Eligible Securities. The current website is at [www.dmo.gov.uk](http://www.dmo.gov.uk).
- 9.2 The Guarantee Statement published under Rule 9.1 shall have no legal status, shall not affect the status or effect of any ABS Eligibility Certificate, and shall be for information purposes only.
- 9.3 The Guarantor shall be entitled to publish on the website referred to in Rule 9.1, in addition to the Guarantee Statement, the following information:
- 9.3.1 any extension of the Final Application Date as referred to in Rule 4.1; and
- 9.3.2 any amendment or supplement to these ABS Rules.

## **10 Public Descriptions of Guarantor and Guarantee**

- 10.1 The description of the Guarantor and the Guarantee in any offering document (including, without limitation, any prospectus, offering circular, listing particulars and information memorandum) or other document or announcement relating to a Guaranteed Liability, issued by or on behalf of the Issuer or any guarantor of the Guaranteed Liability must include the text set out in Annex 13 (as such text may be amended by the Guarantor from time to time) and such other text as may be required by the Guarantor.
- 10.2 Without prejudice to Rule 10.1, no Eligible ABS Institution shall, and each Eligible ABS Institution shall procure no Issuer shall, otherwise explicitly promote itself on the basis of the Guarantee.

## **11 Demand and Payment**

### *Demand by a Beneficiary*

- 11.1 A demand by or on behalf of a Beneficiary for payment under the Guarantee must be in writing and made in the form of Annex 15 and delivered by hand to the addressees therein specified.
- 11.2 In accordance with the terms of the Liquidity Guarantee, the Guarantor's obligations to a Beneficiary under the Liquidity Guarantee are conditional upon the Beneficiary delivering to the Guarantor or to its order the relevant Eligible Securities against payment of the relevant Put Price or the Call Price (as the case may be). The DMO will specify the account to which such Eligible Securities must be delivered.
- 11.3 A demand by or on behalf of a Beneficiary for payment under the Guarantee which is not made in the form of Annex 15 shall be void.

- 11.4 The Guarantor may, in its discretion, waive the requirement for a Beneficiary to make a demand under Rule 11.1.

*Payment to a Beneficiary*

- 11.5 The Guarantor shall make payment, in respect of a valid demand by or on behalf of a Beneficiary under the Guarantee, to the trustee, the principal paying agent or the registrar in respect of the Guaranteed Liability specified in the ABS Eligibility Certificate relating to that Guaranteed Liability.
- 11.6 Any such payment to the trustee, principal paying agent or registrar under Rule 11.5 will, notwithstanding any contrary provision in the terms and conditions of the Guaranteed Liability or the related ABS Transaction Documentation, for the purposes of the Guarantee be deemed to be payment to the Beneficiary, and such payment shall constitute a complete discharge of the Guarantor in respect its liability under the Guarantee in respect of the relevant demand of that Beneficiary.

**12 Reporting to and Consultation with the Guarantor**

- 12.1 Each Eligible ABS Institution must, within six months of the date of issue of its ABS Scheme Institution Certificate, submit to the Guarantor a plan for maintaining or restoring the capacity of the Eligible ABS Institution to borrow in the wholesale financial markets without the benefit of the Guarantee.
- 12.2 If any demand is made on the Guarantor under the Guarantee, the Eligible ABS Institution concerned will, within six months of such demand being made, deliver to the Guarantor a restructuring plan in form and substance satisfactory to the Guarantor and in a form suitable for delivery to the European Commission.
- 12.3 Each Eligible ABS Institution must consult regularly with the Guarantor in relation to its proposals to procure the issuance of asset-backed securities.

**13 Notices**

- 13.1 Any notice or other communication under or in connection with these ABS Rules or the Guarantee (other than a request made under Rule 3.1 or Rule 3.2, an Application made under Rule 4.1 or Rule 4.3, or a demand made under Rule 11.1) shall be by delivery by hand or (in the case only of the DMO or an Eligible ABS Institution) by facsimile:

- 13.1.1 in the case of the Guarantor, to:

The Commissioners of Her Majesty's Treasury  
1 Horse Guards Road  
London SW1A 2HQ

marked for the attention of Team Leader, Intervention Strategy and Markets;

- 13.1.2 in the case of the DMO, to:

The United Kingdom Debt Management Office  
Eastcheap Court  
11 Philpot Lane  
London EC3M 8UD  
Facsimile: 0845 357 6509; and

- 13.1.3 in the case of an Eligible ABS Institution, to it at its registered office or such other address as the Guarantor may agree with the Eligible ABS Institution, or to the facsimile number provided by the Eligible ABS Institution to the Guarantor for the purposes of this Rule 13.1.
- 13.2 Any communication under or in connection with these ABS Rules or the Guarantee to be made by the Guarantor to a Beneficiary shall be made in such manner as the Guarantor, in its exclusive and absolute discretion, decides is the most appropriate manner in the circumstances at the time.
- 13.3 Communications under Rule 13.1 shall be deemed to take effect, if sent by facsimile, at the time of despatch or, if delivered by hand, at the time of actual delivery.
- 13.4 Each Eligible ABS Institution shall ensure any communication to or by it under or in connection with the Guarantee or these ABS Rules is promptly copied to the relevant Issuer.
- 14 Changes to these ABS Rules**
- 14.1 The Guarantor may amend or supplement these ABS Rules at any time in its exclusive and absolute discretion.
- 14.2 The Guarantor shall publish details of any such amendment or supplement in accordance with Rule 9.3.2.

**ANNEX 1**

**ABS Scheme Institution Criteria**

1. Unless the Guarantor decides otherwise, the institution must be (i) an authorised UK deposit-taker (including a UK incorporated subsidiary of a foreign institution) which, in the view of the Guarantor, has a substantial business in the UK or (ii) a UK building society. In reviewing any application for an ABS Scheme Institution Certificate, the Guarantor will give due regard to an institution's role in the UK banking system and the overall economy.
2. The institution must have Tier 1 capital in an amount determined by the Guarantor as at a date to be specified by the Guarantor.

**ANNEX 2**

**Form of ABS Scheme Institution Certificate**

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

**2009 ASSET-BACKED SECURITIES GUARANTEE SCHEME**

**ABS SCHEME INSTITUTION CERTIFICATE**

Certificate no. [            ]

Date: [            ]

The Commissioners of Her Majesty's Treasury hereby certify that the institution named in the schedule to this certificate is registered as a participant in the ABS Scheme as an Eligible ABS Institution for the purposes of the Deed of Guarantee dated 22 April 2009 and executed by The Commissioners of Her Majesty's Treasury.

Signed

*[to be signed by an official on behalf of HM Treasury]*

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Schedule

*[name of institution]*

**ANNEX 3****Form of Application for ABS Transaction Confirmation****THE COMMISSIONERS OF HER MAJESTY'S TREASURY****2009 ASSET-BACKED SECURITIES GUARANTEE SCHEME****APPLICATION FOR ABS TRANSACTION CONFIRMATION**

1. Date of Application
2. Name of Applicant<sup>1</sup> and ABS Scheme Institution Certificate number
3. Applicant contact details<sup>2</sup>
4. Proposed name of Issuer<sup>3</sup>
5. Type of Guarantee that will be applied for (viz. ABS Credit Guarantee and/or ABS Liquidity Guarantee, and note Rule 5.7)
6. ABS Transaction<sup>4</sup> the subject of this Application
7. Indicative particulars of Guaranteed Liabilities<sup>5</sup> the subject of the Eligible ABS Transaction referred to in paragraph 6 above.
8. [Save as set out below, we] [We] confirm that there are no Eligible Securities proposed to be issued by entities sponsored by us, but not yet so issued, in respect of which an ABS Eligibility Certificate has been issued[.][:]  
  
[        ]
9. We warrant and represent to you that the information contained in and attached to this Application is accurate, complete and not misleading (including by omission) in any respect and, in particular, that the ABS Transaction which is the subject of this Application will comply, as at the Closing Date, with the ABS Transaction Eligibility Criteria.

Signed by: <sup>6</sup>

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Duly authorised

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Duly authorised

Notes

1. Full legal name of Eligible ABS Institution which is the Applicant.
2. Formal contact details for the Applicant and for officer(s) of the Applicant responsible for this Application.
3. Full legal proposed name of the Issuer of the proposed Eligible Securities.
4. Details of the proposed ABS Transaction.

The details must demonstrate that the ABS Transaction fulfils the ABS Transaction Eligibility Criteria and also include:

- full details of the overall legal structure proposed (e.g. stand-alone issue or master trust);
  - the full legal name of the originator and seller of the assets which are proposed to back the proposed Eligible Securities;
  - the full legal name of the proposed servicer, the paying agents, the cash manager and swap providers;
  - a copy of the draft prospectus or published base prospectus (if any) in respect of the ABS Transaction;
  - a copy of such of the draft or signed related ABS Transaction Documentation as exists at the date of this Application; and
  - the names of the external legal advisers to the Applicant, the managers, the trustee(s) and the agent(s).
5. Indicative particulars of the proposed Eligible Securities in respect of which the Guarantee will be applied for.

The indicative particulars (so far as known at the time of this Application) must include:

- the principal amount in the currency or currencies of issue;
- the types of interest rate and the source of the reference rates (if applicable);
- the proposed "expected" repayment dates ("average lives") and related CPR assumptions;
- the proposed step-up dates, scheduled repayment dates and legal final maturity dates (as applicable);
- the series and classes of the proposed Eligible Securities;



- the proposed date of the Application for the ABS Eligibility Certificate;
  - in respect of any proposed Eligible ABS Call, the proposed Call Date and, in respect of any proposed Eligible ABS Put, the proposed Put Date; and
  - the proposed launch date and issue date of the proposed Eligible Securities.
6. The Application must be accompanied by evidence, satisfactory to the DMO, of the authority of the signatories to the Application.

**ANNEX 4**

**Form of Application for ABS Eligibility Certificate**

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

**2009 ASSET-BACKED SECURITIES GUARANTEE SCHEME**

**APPLICATION FOR ABS ELIGIBILITY CERTIFICATE**

1. Date of Application
2. ABS Transaction Confirmation number<sup>1</sup>
3. Name of Applicant<sup>2</sup>
4. Applicant contact details<sup>3</sup>
5. Name of Issuer<sup>4</sup>
6. Issuer contact details<sup>5</sup>
7. Type of Guarantee applied for (viz. ABS Credit Guarantee and/or ABS Liquidity Guarantee, and note Rule 5.7)
8. Eligible Securities<sup>6</sup> the subject of this Application
9. [Save as set out below, we] [We] confirm that there are no Eligible Securities proposed to be issued by entities sponsored by us, but not yet so issued, in respect of which an ABS Eligibility Certificate has been issued[.][:]  
  
[     ]
10. We warrant and represent to you that the information contained in and attached to this Application is accurate, complete and not misleading (including by omission) in any respect and, in particular, that the Eligible Securities the subject of this Application will, on issue, satisfy the ABS Eligibility Criteria and the ABS Transaction will comply, as at the Closing Date, with the ABS Transaction Eligibility Criteria.

Signed by:<sup>7</sup>

\_\_\_\_\_  
Duly authorised

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Duly authorised

Notes

1. The number of the ABS Transaction Confirmation pursuant to which this Application is made.
2. Full legal name of Eligible ABS Institution which is the Applicant.
3. Formal contact details for the Applicant and for officer(s) of the Applicant responsible for this Application.
4. Full legal name of the Issuer of the proposed Eligible Securities.
5. Formal contact details for the Issuer and for officer(s) of the Issuer, if different from note 3 above.
6. Full and final particulars of the proposed Eligible Securities in respect of which the Guarantee is applied for.

The particulars must demonstrate that the proposed Eligible Securities will satisfy the ABS Eligibility Criteria and also include:

- the prospectus (as supplemented) approved by the relevant competent authority and final terms document (or equivalent) (if any);
- full and final particulars of the entire capital structure of the ABS Transaction to the extent not disclosed in the approved prospectus and final terms document referred to above;
- the classes of proposed Eligible Securities;
- the type of Guarantee to apply to each such class;
- the ISIN of each such class;
- full particulars (including formal contact details) of the note trustee (if any) to whom the Issuer's payment obligations under the proposed Eligible Securities will be owed;
- full particulars (including formal contact details) of the security trustee(s) under the ABS Transaction;
- full particulars (including formal contact details) of the claims agent (if any) under the ABS Transaction;
- full particulars (including formal contact details) of the principal paying agent or registrar (as applicable) under the ABS Transaction;

- full details of the bank account(s) to be used for payments to be made in connection with the proposed Eligible Securities;
  - in respect of any proposed Eligible ABS Call, the proposed Call Date and, in respect of any proposed Eligible ABS Put, the proposed Put Date;
  - the proposed issue date of the proposed Eligible Securities; and
  - details of any changes to the particulars set out in the relevant Application for the ABS Transaction Confirmation.
7. The Application must be accompanied by evidence, satisfactory to the DMO, of the authority of the signatories to the Application.

**ANNEX 5****ABS Transaction Eligibility Criteria**

1. Each asset which backs the Eligible Securities to be issued in the Eligible ABS Transaction must be a mortgage loan and its related security. In respect of each sale into the relevant pool of mortgage loans proposed to back any Eligible Securities which takes place on or after the date of the applicable ABS Scheme Institution Certificate in respect of the relevant Eligible ABS Institution, the following conditions must be fulfilled as at the relevant date of sale:
  - each mortgage loan must be secured by a valid first-ranking mortgage, or (in Scotland) standard security, over a residential property located in the United Kingdom;
  - each mortgage loan must be originated not earlier than 1 January 2008;
  - the current balance of each mortgage loan must not exceed £500,000;
  - the loan-to-value (LTV) ratio of each mortgage loan at its origination must not have exceeded 90% of the lower of the purchase price or the then most recent valuation of the mortgaged property;
  - immediately following the date of each sale referred to above, the weighted average LTV ratio of all the mortgage loans in the pool which backs the Eligible Securities must not, by reference to the mortgage loans at their respective origination, exceed 75% of the lower of the respective purchase prices of the mortgaged properties or the most recent valuations as at the time of origination;
  - each borrower of each mortgage loan:
    - > must be a natural person;
    - > must satisfy the lending criteria that would be applied by a reasonable and prudent mortgage lender;
    - > must not be a “self-certified” borrower (but, for the avoidance of doubt, this does not refer to “fast-track” credit underwriting procedures); and
    - > must not have an adverse credit history;
  - at least one full payment in respect of each mortgage loan must have been made;
  - no amount of principal or interest in respect of each mortgage loan shall have been in arrears at any time prior to the date of sale referred to above; and
  - the seller of the mortgage loans must be the Eligible ABS Institution.

2. The governing law of the ABS Transaction Documentation for the Eligible ABS Transaction must, with the exception of the documentation governing the mortgage loans and their related security referred to in paragraph 1 above, be English.
3. The terms of the ABS Transaction Documentation must enable full effect to be given to the relevant Counter-Indemnities according to the intent and terms of those Counter-Indemnities.
4. The terms of the ABS Transaction Documentation must provide for:
  - amounts due and payable by the Issuer under the Guarantee and the Fee Letter to the Guarantor to rank in priority to amounts payable to Beneficiaries under the Eligible Securities, but so that amounts due and payable to the Guarantor by the Issuer do not rank in priority to any of the Issuer's other obligations ranking in priority to, or which are expressed to rank in priority to, the Eligible Securities;
  - in the case of Eligible Securities which carry an ABS Credit Guarantee, the Guarantor to have, following the redemption in full of those Eligible Securities as a result of one or more payments being made by the Guarantor under that ABS Credit Guarantee, the same rights as the holders of those Eligible Securities would have continued to have in their capacity as such holders but for that redemption, including, for the avoidance of doubt, any rights relating to or arising as a result of any default (howsoever called) in respect of those Eligible Securities occurring prior to that redemption or which would have arisen but for any such payment being made by the Guarantor;
  - in the case of Eligible Securities which carry an ABS Credit Guarantee, the Guarantor to be subrogated to the rights of the Beneficiaries and to the trustee of the Eligible Securities to the extent of any payment made by the Guarantor under the Guarantee or in respect of the Guaranteed Liabilities;
  - the creation and maintenance of a principal deficiency ledger (howsoever called) which must record: (i) losses on mortgage loans; (ii) amounts of principal receipts used to make interest payments; and (iii) such other amounts as may be recorded on the principal deficiency ledger which amounts would, subject to the balance of the ledger being subsequently reduced, reduce the aggregate principal amount of ABS which is scheduled to be redeemed from the date of issue to their corresponding legal final maturity;
  - the determination, on any interest payment date of an Eligible Security, of the expected or actual reduction of the redemption amounts payable on each Eligible Security as a result of amounts credited to the principal deficiency ledger at that date and such determination to be notified to the DMO;
  - the credit enhancements provided by parties to the Eligible ABS Transaction to be fully utilised to the extent of their availability prior to or on the due date for any payment in respect of the Eligible Securities without reference to any payment contingently receivable under the Guarantee;

- no amendment, waiver, variation, release, supplement or novation to be made to or in respect of the ABS Transaction Documentation in respect of any Eligible Security after the relevant Closing Date without the prior written consent of the Guarantor;
- each of the Issuer and the Eligible ABS Institution to be obliged to consult with the Guarantor, as required by the Guarantor, in relation to the Eligible ABS Transaction so long as there are any payments which may become due to the Guarantor under the relevant Counter-Indemnity;
- each of the Eligible ABS Institution, the Issuer, the servicer(s) and the cash manager(s) (in each case, howsoever called) to be obliged immediately to notify the Guarantor of any actual or potential defaults or trigger events (in each case, howsoever called) occurring, or likely to occur, under or in respect of the Eligible ABS Transaction;
- each of the Eligible ABS Institution, the Issuer, the servicer(s), the cash manager(s), the trustee(s), the agent(s), the registrar(s), the account bank(s) and the swap provider(s) (in each case, howsoever called) which is party to the Eligible ABS Transaction Documentation to be obliged to provide to the Guarantor information in respect of the Eligible ABS Transaction as reasonably required by the Guarantor;
- delivery of customary transaction legal opinions as a condition precedent to the issue of the proposed Eligible Securities;
- delivery to the DMO of a complete copy of the signed ABS Transaction Documentation in CD Rom form promptly following the relevant Closing Date; and
- delivery to the holders of the Eligible Securities of periodic reports at least quarterly in relation to the assets backing those Eligible Securities in accordance with international best practice (such as the "RMBS Issuer Principles for Transparency and Disclosure, Version 1" published by the European Securitisation Forum in February 2009).

To the extent that the foregoing requires rights to be conferred upon the Guarantor, such rights may be conferred upon the Guarantor under the Contracts (Rights of Third Parties) Act 1999.

5. Any Eligible ABS Call must meet the following criteria:

- an Eligible ABS Call must be a condition of the Eligible Securities which is a right of the Issuer to redeem, purchase or repurchase the Eligible Securities on the Call Date in an amount equal to the Call Price;
- the terms of the Eligible ABS Call must provide that where the Issuer has been or will be put in funds by the Eligible ABS Institution so that it can meet its obligations under the Eligible ABS Call, it shall exercise the Eligible ABS Call on the Call Date; and

- the terms of an Eligible ABS Transaction (but not necessarily the terms of the related Eligible Securities themselves) must provide that the Eligible ABS Institution will be under an unconditional irrevocable obligation in favour of the Issuer to procure that the Issuer is put in funds so that it is able to exercise its rights under the Eligible ABS Call.
6. Any Eligible ABS Put must meet the following criteria:
- an Eligible ABS Put must be a condition of the Eligible Securities which is an obligation of the Issuer to redeem, purchase or repurchase the Eligible Securities at the option of the holder of those Eligible Securities on the Put Date at the Put Price;
  - the terms of an Eligible ABS Transaction may provide that the obligations of the Issuer on the exercise of an Eligible ABS Put are conditional upon the Issuer being put in funds to enable it to satisfy its obligations under the Eligible ABS Put; and
  - the terms of an Eligible ABS Transaction (but not necessarily the terms of the related Eligible Securities themselves) must provide that the Eligible ABS Institution will be under an unconditional irrevocable obligation in favour of the Issuer to procure that the Issuer is put in funds so that it is able to perform its obligations under the Eligible ABS Put.
7. The Put Price or the Call Price in respect of any Eligible ABS Put or any Eligible ABS Call (as the case may be), unless otherwise agreed by the Guarantor in its discretion, must be the principal amount outstanding of the relevant Eligible Security as at the Put Date or the Call Date (as the case may be) plus any accrued (but unpaid) interest less amounts recorded on the principal deficiency ledger attributable to that Eligible Security and as determined in accordance with the terms of the Eligible ABS Transaction at the relevant calculation date immediately preceding the Put Date or the Call Date (as the case may be) (such calculation date to be not more than one month prior to the relevant Put Date or Call Date).
8. Any costs or fees to be paid under the proposed ABS Transaction in priority to the claims of the holders of the Eligible Securities must be on market standard terms.
9. The proposed Eligible Securities to be issued under the ABS Transaction must be intended to be admitted to the official list of the relevant competent authority or stock exchange (as applicable) and admitted to trading on the regulated market of the London, Dublin or Luxembourg stock exchanges.
10. The interpretation and application of each of the conditions set out in paragraphs 1, 4, 5, 6 and 7 will be as determined by the DMO.



**ANNEX 6****ABS Eligibility Criteria**

The proposed Eligible Securities must fulfil each of the following conditions:

1. They must, upon issue, be rated AAA (or the equivalent) by at least two Rating Agencies, and be so rated on the basis that they do not carry a Guarantee. This rating need not take account of any Eligible ABS Put or Eligible ABS Call contained in the Eligible Security.
2. They must be proposed to be issued by the Issuer on or before the date falling one calendar month after the Final Application Date (or such later date as the Guarantor may determine under Rule 4.1 in its discretion).
3. They must be single currency denominated in one of Sterling, Euro, US Dollars, Australian Dollars, Canadian Dollars, Swiss Francs, Yen or such other currency as is approved by the Guarantor.
4. They must be admitted to the official list of the relevant competent authority or stock exchange (as the case may be) and admitted to trading on the regulated market of the London, Dublin or Luxembourg stock exchanges.
5. In respect of any Eligible Securities issued under a master trust existing at 22 April 2009, the aggregate principal amount of the proposed issue of Eligible Securities must not exceed the Capped Amount. For these purposes:
  - (a) "Capped Amount" means the aggregate principal amount of Eligible Securities which could be issued if they were backed exclusively by the Proposed Pool in a stand-alone transaction;
  - (b) "Proposed Pool" means the pool of Eligible Mortgages which is proposed to be sold by the Eligible ABS Institution to the master trust to back the proposed issue of Eligible Securities; and
  - (c) "Eligible Mortgages" means mortgage loans which meet the eligibility criteria set out in paragraph 1 of Annex 5.

**ANNEX 7**

**Form of ABS Transaction Confirmation**

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

**2009 ASSET-BACKED SECURITIES GUARANTEE SCHEME**

**ABS TRANSACTION CONFIRMATION**

To: [Applicant]

[ABS Transaction name]

ABS Transaction Confirmation no. [            ]

Date: [            ]

The Commissioners of Her Majesty's Treasury hereby confirm that the ABS Transaction the subject of your Application dated [            ] complies with the ABS Transaction Eligibility Criteria and that it is their intention to issue an ABS Eligibility Certificate in respect of the proposed Eligible Securities under the related ABS Transaction subject to Rule 5.5.

Words and expressions defined in the Rules of the 2009 Asset-backed Securities Guarantee Scheme shall have the same meanings where used in this confirmation.

Signed

\_\_\_\_\_

\_\_\_\_\_  
The Commissioners of Her Majesty's Treasury  
acting through The United Kingdom Debt  
Management Office

**ANNEX 8**

**Form of ABS Eligibility Certificate**

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

**2009 ASSET-BACKED SECURITIES GUARANTEE SCHEME**

**ABS ELIGIBILITY CERTIFICATE**

To: *[Applicant]*

*[ABS Transaction Name]*

ABS Eligibility Certificate no. [            ]

Date: [            ]

The Commissioners of Her Majesty's Treasury hereby certify that the liabilities in respect of the Eligible Securities, the details of which are specified in the schedule to this ABS Eligibility Certificate, are, upon their issue, Guaranteed *[Credit][Liquidity]*Liabilities for the purposes of the Deed of Guarantee dated 22 April 2009 and executed by The Commissioners of Her Majesty's Treasury.

Words and expressions defined in the Rules of the 2009 Asset-backed Securities Guarantee Scheme shall have the same meanings where used in this certificate.

Signed

\_\_\_\_\_

\_\_\_\_\_  
The Commissioners of Her Majesty's Treasury  
acting through The United Kingdom Debt  
Management Office

Schedule

[Note: Schedule to include details of:

[Details of scheduled payments of interest and principal for any Guaranteed Credit Liabilities]

[Guarantee Expiry Date]

[Details of Eligible ABS Call]

[Details of Eligible ABS Put]

[Call Price (including cross-reference to mechanism for downward adjustment)]

[Put Price (including cross-reference to mechanism for downward adjustment)]

**ANNEX 9**

**Form of Closing Certificate**

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

**2009 ASSET-BACKED SECURITIES GUARANTEE SCHEME**

**CLOSING CERTIFICATE**

To: The Commissioners of Her Majesty's Treasury  
1 Horse Guards Road  
London SW1A 2HQ

Date: [*Closing Date*]

Dear Sirs,

ABS Transaction Confirmation No. [ ]

We refer to the ABS Transaction the subject of the above ABS Transaction Confirmation and the Eligible Securities proposed to be issued under it today.

This is the Closing Certificate referred to in Rule 5.5.10 of the ABS Rules.

We hereby certify:

- (1) subject only to the issue to us of the ABS Eligibility Certificate in respect of such Eligible Securities, all conditions precedent to the issue of such Eligible Securities required to be fulfilled under the relevant ABS Transaction Documentation, the Guarantee and the ABS Rules have been fulfilled or waived; and
- (2) if any such conditions precedent have been waived, particulars of such waiver(s) are set out in the Schedule; and
- (3) the ABS Transaction Documentation complies with the ABS Rules; and
- (4) we are in compliance with our obligations under the ABS Rules.

Words and expressions defined in the Rules of the 2009 Asset-backed Securities Guarantee Scheme shall have the same meanings where used in this certificate.

Signed

---

For and on behalf of [*the Issuer*]

---

For and on behalf of [*the Eligible ABS Institution*]

Schedule

## ANNEX 10

### **Form of Eligible ABS Institution Counter-Indemnity in respect of [the Guaranteed Credit Liabilities][the Guaranteed Liquidity Liabilities]**

To: The Commissioners of Her Majesty's Treasury

We refer to the Deed of Guarantee dated 22 April 2009 executed by yourselves in respect of the 2009 Asset-backed Securities Guarantee Scheme (the "**Guarantee**").

Words and expressions defined in the Guarantee have the same meanings where used in this deed, save that references in this deed to: (i) "**the Guarantee**" shall be construed as references to the Guarantee insofar (and only insofar) as it applies to our [Guaranteed Credit Liabilities][Guaranteed Liquidity Liabilities]; (ii) the "**Eligible Securities**" shall be to Eligible Securities issued by an Issuer; and (iii) the "**Issuer**" shall be to the Issuer in respect of which we are the Eligible ABS Institution, and in each case to the intent and effect that this deed shall have no application to the Guarantee insofar as it applies to the Guaranteed Liabilities of other persons.

In consideration of your agreeing to issue one or more ABS Eligibility Certificates in respect of the [Guaranteed Credit Liabilities][Guaranteed Liquidity Liabilities]:

#### **Indemnity**

- (1) We agree to keep you indemnified to the extent hereinafter provided from and against all actions, proceedings, liabilities, claims, damages, costs and expenses in relation to or arising out of the Guarantee and this deed or in respect of any [Guaranteed Credit Liabilities][Guaranteed Liquidity Liabilities], and to pay to you on demand an amount equal to all payments, claims, losses, costs, charges, damages, taxes, duties and expenses suffered or incurred by you in consequence thereof or arising therefrom, whether directly or indirectly.
- (2) We agree to pay to you upon demand interest on all amounts demanded by you from us under this deed calculated at the aggregate of the Official Bank Rate (for the time being and from time to time) and one per cent. (1%) during the period from (and including) the date of such demand to (but excluding) the date of payment by us to you of all such amounts; and for this purpose "**Official Bank Rate**" means the official Bank Rate as determined by the Monetary Policy Committee of the Bank of England and published by the Bank of England from time to time.
- (3) We agree that all such amounts as specified in paragraphs (1) and (2) above are to be immediately due and payable without demand in full without any requirement on your part to seek reimbursement or to be indemnified by any other person, including, without limitation, the Issuer.

#### **Repurchase obligation [Note: only applicable to the Liquidity Guarantee]**

- (4) We agree promptly on your demand to purchase, repurchase, or procure the redemption of, any Eligible Securities purchased by you pursuant to the Guarantee in an amount equal to the purchase price paid by you under the Guarantee. We agree to pay you such amount against delivery by you to us of such Eligible Securities.

**Funding obligation [Note: only applicable to the Liquidity Guarantee]**

- (5) We agree that we will procure that the Issuer is put in funds on each Call Date and Put Date so that the Issuer is able to perform its obligations in respect of each Eligible ABS Call and Eligible ABS Put (as applicable).
- (6) We agree that we shall procure that the Issuer shall exercise each Eligible ABS Call on the relevant Call Date.

**Other provisions**

- (7) We irrevocably authorise and direct you to make any payments forthwith and comply with any demands which may be claimed or made under the Guarantee without any reference to or further authority, confirmation or verification from us, and agree that any payment which you shall make in accordance with the Guarantee shall be binding upon us and shall be accepted by us as conclusive evidence that you were liable to make such payment or comply with such demand notwithstanding any dispute that may exist between us and the Beneficiary as to the validity of any such demand.
- (8) Without prejudice to any other provision of this deed, we agree that any demand made upon you for payment of sums specified in the Guarantee shall, for all purposes relating to this deed, be deemed to be a valid and effective demand, and you shall be entitled to treat it as such notwithstanding any actual lack of authority on the part of the person making the demand if the demand appears on its face to be in order.
- (9) Without prejudice to any other provision of this deed, we agree that, provided that any certificate or document delivered in accordance with the provisions of the Guarantee appears on its face to be in accordance with the terms of the Guarantee, such certificate or document shall for all purposes relating to this deed be deemed to be genuine and in accordance with the terms of the Guarantee.
- (10) We agree that all sums payable hereunder shall be made free and clear of and without deduction for or on account of any set-off or counterclaim or any present or future taxes of any nature. Should any such payment be subject to deduction in respect of any such matter, we shall pay to you on demand such additional amount as may be necessary to enable you to receive a net amount equal to the full amount payable hereunder. As used herein, the term "taxes" includes all levies, imposts, duties, charges, fee, deductions, withholdings, turnover tax, stamp duty, and any obligations or conditions resulting in a charge.
- (11) We agree that all payments under this deed shall be made in the currency in which payments made or liabilities incurred by you under the Guarantee are denominated.



- (12) We agree that our liability hereunder shall also apply to any increase or decrease in the amount of or extension or renewal of the Guarantee from time to time (whether in the same terms or otherwise and whether arising with our agreement or by operation of law or otherwise) to the intent that all agreements, undertakings and authorities herein shall continue to be binding on us in relation to the Guarantee as so increased, decreased, extended or renewed.
- (13) We agree that, without prejudice to any other rights, powers or remedies (whether provided by contract, law or otherwise) which you may have, you may set off any moneys due and payable (but not paid) by us under this deed against any obligation whatsoever owed by you to us, regardless of the place of payment or currency of either obligation, and, if the obligations are in different currencies, you may convert either obligation at a market rate of exchange selected by you for this purpose.
- (14) We agree that, if, under any applicable law and whether pursuant to a judgment being made or registered against us or for any other reason, any payment under or in connection with this deed is made or falls to be satisfied by us or on our behalf in a currency (the "**other currency**") other than that in which the relevant payment is expressed to be due (the "**required currency**"), then to the extent that the payment actually received by you (when converted into the required currency at the market rate of exchange selected by you for this purpose on the date of payment or, if it is not practicable for you to purchase the required currency with the other currency on the date of payment, at the market rate of exchange selected by you for this purpose as soon thereafter as it is practicable for you to do so) falls short of the amount due under the terms of this deed, we shall, as a separate and independent obligation, indemnify and hold you harmless against the amount of such shortfall.
- (15) We agree to observe, and perform our obligations under, the ABS Rules in force from time to time, and to comply with any undertaking given by us to the Guarantor in connection with the issue of any ABS Eligibility Certificate.

We hereby warrant and represent that we have power to enter into and have duly authorised the execution and delivery of this deed and that our obligations hereunder constitute our legal, valid, binding and enforceable obligations.

Our obligations hereunder shall not be in any way discharged or impaired by reason of any time or other indulgence granted to you by the Beneficiary or by any amendment or variation of the Guarantee or any related agreement, and shall exist irrespective of any present or future total or partial invalidity, illegality or unenforceability of the Guarantee.

We shall not, and we shall procure that no guarantor of any Guaranteed Liability shall, without your prior written consent, enforce or seek to enforce in competition with you, any right of contribution, subrogation or indemnity from or against any other person to which we or such guarantor may be entitled by reason of the performance of our obligations hereunder or the guarantor's performance of its obligations, in each case, in respect of the Guaranteed Liability.

A certificate submitted by you to us as to the amount due from us to you hereunder at the date of such certificate shall be conclusive and binding on us for all purposes.

We understand and agree that our liability hereunder will continue until you have notified us in writing that you have released us from it.

This deed shall be governed by and construed in accordance with English law and shall be additional to any other indemnity which you now or hereafter may hold.

We hereby submit to the jurisdiction of the English courts in connection with any dispute arising in connection with this deed.

**EXECUTED AND DELIVERED** as a deed

By: .....  
[Eligible ABS Institution]  
in the presence of:

## ANNEX 11

### Form of Issuer Counter-Indemnity in respect of the Guaranteed Credit Liabilities

To: The Commissioners of Her Majesty's Treasury

We refer to the Deed of Guarantee dated 22 April 2009 executed by yourselves in respect of the 2009 Asset-backed Securities Guarantee Scheme (the "**Guarantee**").

Words and expressions defined in the Guarantee have the same meanings where used in this deed, save that references in this deed to: (i) "**the Guarantee**" shall be construed as references to the Guarantee insofar (and only insofar) as it applies to our Guaranteed Credit Liabilities; (ii) the "**Eligible Securities**" shall be to Eligible Securities issued by us; (iii) the "**Eligible ABS Transaction**" shall be to the Eligible ABS Transaction in respect of which we are the Issuer; and (iv) the "**Eligible ABS Institution**" shall be to the Eligible ABS Institution in respect of which we are the Issuer, and in each case to the intent and effect that this deed shall have no application to the Guarantee insofar as it applies to the Guaranteed Liabilities of other persons.

In consideration of your agreeing to issue one or more ABS Eligibility Certificates in respect of the Guaranteed Credit Liabilities:

#### **Subrogation**

- (1) We will procure the terms of the Eligible ABS Transaction provide that you shall be subrogated to the rights of the Beneficiaries and to the rights of any trustee in respect of the Eligible Securities to the extent of any payment made by you to the Beneficiaries under the Guarantee or in respect of the Guaranteed Credit Liabilities.
- (2) We will procure the terms of the Eligible ABS Transaction provide that following the redemption in full of any Eligible Securities as a result of one or more payments being made by you under the Guarantee, you shall have the same rights against us as the holders of those Eligible Securities would have continued to have in their capacity as such holders but for that redemption, including, for the avoidance of doubt, any rights relating to or arising as a result of any default (howsoever called) in respect of those Eligible Securities subsisting prior to that redemption or which would have occurred but for any such payment being made by the Guarantor.

#### **Reimbursement**

- (3) We shall promptly reimburse and indemnify you for any payment made by you under the Guarantee or in respect of the Guaranteed Credit Liabilities.
- (4) Our obligation to reimburse you is regardless of whether or not we are ourselves liable to make any payment under the Eligible Securities or are disputing our liability to make payment under the Eligible Securities.
- (5) Our obligations to reimburse you will be promptly due and payable on the date that any amount is paid by you in an amount equal to: (i) the amount paid by you pursuant to the Guarantee or in respect of the Guaranteed Credit Liabilities on such date; and (ii)

all amounts previously paid by you pursuant to the Guarantee or in respect of the Guaranteed Credit Liabilities that remain unpaid by us.

- (6) We agree that all such amounts as specified in paragraph (5) above are to be immediately due and payable without demand in full without any requirement on your part to seek reimbursement or to be indemnified by any other person, including, without limitation, the Eligible ABS Institution.

### Ranking

- (7) We agree and shall procure that our liability under this deed to reimburse you in respect of any payments made by you under the Guarantee or in respect of Guaranteed Credit Liabilities and our obligations to make payments under the Guaranteed Credit Liabilities will rank as between each other as follows:
- (i) first, in reimbursing you amounts due and payable under this deed and any fee payable to you in connection with the issue of an ABS Eligibility Certificate in respect of the Eligible Securities; and
  - (ii) secondly, to Beneficiaries under the Eligible Securities, but so that our obligation to reimburse you shall not rank in priority to any of our other obligations ranking in priority to, or which are expressed to rank in priority to, the Eligible Securities.

### Indemnity

- (8) We agree to keep you indemnified to the extent hereinafter provided from and against all actions, proceedings, liabilities, claims, damages, costs and expenses in relation to or arising out of the Guarantee and this deed or in respect of the Guaranteed Credit Liabilities, and to pay to you on demand an amount equal to all payments, claims, losses, costs, charges, damages, taxes, duties and expenses suffered or incurred by you in consequence thereof or arising therefrom, whether directly or indirectly.
- (9) We agree to pay to you upon demand interest on all amounts demanded by you from us under this deed calculated at the aggregate of the Official Bank Rate (for the time being and from time to time) and one per cent. (1%) during the period from (and including) the date of such demand to (but excluding) the date of payment by us to you of all such amounts; and for this purpose "**Official Bank Rate**" means the official Bank Rate as determined by the Monetary Policy Committee of the Bank of England and published by the Bank of England from time to time.
- (10) We agree that all such amounts as specified in paragraphs (8) and (9) above are to be immediately due and payable without demand in full without any requirement on your part to seek reimbursement or to be indemnified by any other person, including, without limitation, the Eligible ABS Institution.

**Other provisions**

- (11) We irrevocably authorise and direct you to make any payments forthwith and comply with any demands which may be claimed or made under the Guarantee without any reference to or further authority, confirmation or verification from us, and agree that any payment which you shall make in accordance with the Guarantee shall be binding upon us and shall be accepted by us as conclusive evidence that you were liable to make such payment or comply with such demand notwithstanding any dispute that may exist between us and the Beneficiary as to the validity of any such demand.
- (12) Without prejudice to any other provision of this deed, we agree that any demand made upon you for payment of sums specified in the Guarantee shall, for all purposes relating to this deed, be deemed to be a valid and effective demand, and you shall be entitled to treat it as such notwithstanding any actual lack of authority on the part of the person making the demand if the demand appears on its face to be in order.
- (13) Without prejudice to any other provision of this deed, we agree that, provided that any certificate or document delivered in accordance with the provisions of the Guarantee appears on its face to be in accordance with the terms of the Guarantee, such certificate or document shall for all purposes relating to this deed be deemed to be genuine and in accordance with the terms of the Guarantee.
- (14) We agree that all sums payable hereunder shall be made free and clear of and without deduction for or on account of any set-off or counterclaim or any present or future taxes of any nature. Should any such payment be subject to deduction in respect of any such matter, we shall pay to you on demand such additional amount as may be necessary to enable you to receive a net amount equal to the full amount payable hereunder. As used herein, the term "taxes" includes all levies, imposts, duties, charges, fee, deductions, withholdings, turnover tax, stamp duty, and any obligations or conditions resulting in a charge.
- (15) We agree that all payments under this deed shall be made in the currency in which payments made or liabilities incurred by you under the Guarantee are denominated.
- (16) We agree that our liability hereunder shall also apply to any increase or decrease in the amount of or extension or renewal of the Guarantee from time to time (whether in the same terms or otherwise and whether arising with our agreement or by operation of law or otherwise) to the intent that all agreements, undertakings and authorities herein shall continue to be binding on us in relation to the Guarantee as so increased, decreased, extended or renewed.
- (17) We agree that, without prejudice to any other rights, powers or remedies (whether provided by contract, law or otherwise) which you may have, you may set off any moneys due and payable (but not paid) by us under this deed against any obligation whatsoever owed by you to us, regardless of the place of payment or currency of either obligation, and, if the obligations are in different currencies, you may convert either obligation at a market rate of exchange selected by you for this purpose.

- (18) We agree that, if, under any applicable law and whether pursuant to a judgment being made or registered against us or for any other reason, any payment under or in connection with this deed is made or falls to be satisfied by us or on our behalf in a currency (the “**other currency**”) other than that in which the relevant payment is expressed to be due (the “**required currency**”), then to the extent that the payment actually received by you (when converted into the required currency at the market rate of exchange selected by you for this purpose on the date of payment or, if it is not practicable for you to purchase the required currency with the other currency on the date of payment, at the market rate of exchange selected by you for this purpose as soon thereafter as it is practicable for you to do so) falls short of the amount due under the terms of this deed, we shall, as a separate and independent obligation, indemnify and hold you harmless against the amount of such shortfall.
- (19) We agree to observe, and perform our obligations under, the ABS Rules in force from time to time, and to comply with any undertaking given by us to the Guarantor in connection with the issue of any ABS Eligibility Certificate.

We hereby warrant and represent that we have power to enter into and have duly authorised the execution and delivery of this deed and that our obligations hereunder constitute our legal, valid, binding and enforceable obligations.

Our obligations hereunder shall not be in any way discharged or impaired by reason of any time or other indulgence granted to you by the Beneficiary or by any amendment or variation of the Guarantee or any related agreement, and shall exist irrespective of any present or future total or partial invalidity, illegality or unenforceability of the Guarantee.

We shall not, and we shall procure that no guarantor of any Guaranteed Liability shall, without your prior written consent, enforce or seek to enforce in competition with you, any right of contribution, subrogation or indemnity from or against any other person to which we or such guarantor may be entitled by reason of the performance of our obligations hereunder or the guarantor's performance of its obligations, in each case, in respect of the Guaranteed Liability.

A certificate submitted by you to us as to the amount due from us to you hereunder at the date of such certificate shall be conclusive and binding on us for all purposes.

We understand and agree that our liability hereunder will continue until you have notified us in writing that you have released us from it.

This deed shall be governed by and construed in accordance with English law and shall be additional to any other indemnity which you now or hereafter may hold.

We hereby submit to the jurisdiction of the English courts in connection with any dispute arising in connection with this deed.

**EXECUTED AND DELIVERED** as a deed

By: .....

[Issuer]

in the presence of:

**ANNEX 12**

**Form of Fee Letter**

[On letterhead of the DMO]

**THE COMMISSIONERS OF HER MAJESTY'S TREASURY**  
**2009 ASSET-BACKED SECURITIES GUARANTEE SCHEME**

To: [Applicant]  
[Issuer]

Date: [ ]

Dear Sirs,

**2009 Asset-backed Securities Guarantee Scheme**

We refer to the Applicant's application under the ABS Scheme dated [ ] in respect of the proposed Eligible Securities referred to in the schedule to this Fee Letter. Words and expressions defined in the ABS Rules have the same meanings where used in this letter.

This is the Fee Letter recording the Fee applicable to the ABS Eligibility Certificate no. [ ] to be issued in respect of the proposed Eligible Securities.

The Fee is [ ].

The Fee is to be paid by you the Applicant or, failing which, you the Issuer of the Eligible Securities.

The Fee is to be paid to the account of Her Majesty's Treasury the details of which are: [ ].

Kindly confirm your agreement to the foregoing by countersigning and returning to us this Fee Letter.

Yours faithfully,

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The United Kingdom Debt Management Office

**Schedule**

[Proposed Guaranteed Liabilities]



We confirm our agreement to the foregoing.

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[*Applicant*]  
Duly authorised

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[*Issuer*]  
Duly authorised

## ANNEX 13

**Form of Offering Document Disclosure**

The Commissioners of Her Majesty's Treasury (the "**Guarantor**") have issued a [Credit Guarantee/Liquidity Guarantee] in respect of [*the Eligible Security*].

[Pursuant to the terms of the Credit Guarantee, the Guarantor will irrevocably guarantee to the holders of [*the Eligible Securities*] the liabilities of the Issuer to make payment of [*details of guaranteed payments*] (the "**Guaranteed Credit Liabilities**") and undertakes with such holders that whenever the Issuer does not pay any Guaranteed Credit Liabilities [and following the expiry of the applicable grace period specified in [*insert appropriate cross reference*]] the Guarantor shall, on demand made in accordance with the Rules of the Asset-backed Securities Guarantee Scheme, pay that Guaranteed Credit Liability to the holders of [*such Eligible Securities*].]

[Pursuant to the terms of the Liquidity Guarantee, the Guarantor will irrevocably undertake to the holders of [*the Eligible Securities*] that if the Issuer does not pay [*details of the Eligible ABS Put/Eligible ABS Call*] on the [*Put Date/Call Date*] [following its exercise by the holder thereof] [and following the expiry of the applicable grace period specified in [*insert appropriate cross reference*]], the Guarantor shall, on demand made in accordance with the Rules of the Asset-backed Securities Guarantee Scheme, purchase [*the Eligible Securities*] in accordance with the Rules of the Asset-backed Securities Guarantee Scheme for an amount equal to the [*Put Price/Call Price*] provided that the Guarantor's obligations shall be in all respects conditional upon the delivery to the Guarantor or to its order of [*the Eligible Securities*] against payment to the relevant holder by the Guarantor of the [*Put Price/Call Price*].]

[The [*Put Price/Call Price*] shall be the principal amount outstanding of [*the Eligible Securities*] plus any accrued (but unpaid) interest less amounts recorded on the [*principal deficiency ledger*] attributable to [*the Eligible Securities*] determined in accordance with [*insert appropriate cross reference*] at the relevant [*calculation date*] immediately preceding the [*Put Date/Call Date*].]

The Guarantor's obligations in that respect are contained in a deed of guarantee dated 22 April 2009, the form of which is available at [www.dmo.gov.uk](http://www.dmo.gov.uk).

**ANNEX 14****Relevant Guarantor Transaction Legal Opinions**

1. Each Relevant Guarantor Transaction Legal Opinion must:
  - (a) be authored by an appropriately qualified external legal adviser to a party to the ABS Transaction;
  - (b) be addressed to, and be able to be relied upon by, the Guarantor;
  - (c) be dated the relevant Closing Date;
  - (d) not contain any limitation of financial liability on the part of the author of the opinion or the author's firm;
  - (e) confirm that the author of the opinion has examined all the ABS Transaction Documentation; and
  - (f) contain only those assumptions, qualifications and reservations which are customary for transactions in respect of asset-backed securities of the relevant kind.
  
2. The Relevant Guarantor Transaction Legal Opinions must, taken together, confirm that the terms of the ABS Transaction Documentation comply with the requirements set out in paragraphs 4-7 (inclusive) of Annex 5.



- [6. The Call Date in respect of the Guaranteed Liability was [ ] and the Call Price due and payable to us in respect of the Guaranteed Liability on the Call Date has not been paid to us.]
- [7. The Put Date in respect of the Guaranteed Liability was [ ] and the Put Price due and payable to us in respect of the Guaranteed Liability on the Put Date has not been paid to us.]
- [8. [We certify that we have validly demanded payment of the Claimed Sum from the Issuer of the Guaranteed Liability and that the Issuer has failed to pay the Claimed Sum to us in accordance with our valid demand.]/[We certify that the matters set out in this notice are all true and accurate and not misleading. This notice shall be deemed to be a demand for the purpose of the Guarantee, notwithstanding that the due date for payment has not occurred.]

Signed by:

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Duly authorised