

Company Number: 03273685

THE COMPANIES ACT 2006
A PUBLIC COMPANY LIMITED BY SHARES
SPECIAL RESOLUTION
OF
NRAM PLC
(the "Company" or "NRAM")

We, UK Asset Resolution Limited, being the only member of the Company who at the date of this resolution is entitled to receive notice of, attend and vote at general meetings of the Company, do hereby declare that the following resolution (the "**Resolution**") be passed as a special resolution. We further declare that this general meeting of the Company, notwithstanding that it may not have been properly called, or notice of it may not have been properly given, or any quorum required by the articles of association of the Company may not be present, be deemed to be a duly constituted meeting of the Company by virtue of article 8(1) of the Northern Rock plc Transfer Order 2008.

SPECIAL RESOLUTION

THAT the transaction referred to as Project Neptune, as outlined in Annex I to this Resolution, on the terms and subject to the conditions of the Transaction Documents, as defined in Annex II to this Resolution, be and is hereby approved and that each and any of the directors and the secretary of the Company (or a duly authorised committee of the directors) be and are hereby authorised:

- (i) to take all steps as may be necessary, expedient or desirable and to do all necessary or appropriate things in relation to Project Neptune and the matters contemplated by the Transaction Documents; and
- (ii) to implement the same and to agree and make any non-material amendments, modifications, variations, waivers and extensions as they may deem necessary, expedient or desirable.

The Resolution shall have immediate effect.

Signed _____

For and on behalf of
UK Asset Resolution Limited

Date: 11 November 2015

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Annex I

Project Neptune Summary

1. Structure of the transaction

1.1 The transaction will be separated into four stages, which can be broadly described as:

- (A) the sale by the Company and Granite Finance Trustees Limited (the "**Mortgages Trustee**") of certain seasoned, performing mortgage and other loans to Cerberus European Residential Holdings B.V. (the "**Purchaser**") (the "**Loan Sale Transaction**");
- (B) following the Loan Sale Transaction, the sale by UK Asset Resolution Limited ("**UKAR**") of the entire issued share capital of the Company to NRAM (No.1) Limited ("**StayCo**") in consideration for shares in the capital of StayCo (the "**Inter-Company Reorganisation**");
- (C) following the Inter-Company Reorganisation, the transfer of all the assets and liabilities of the Company which are not intended to be sold to Landmark Bidco Limited (the "**Share Purchaser**") to StayCo (the "**Hive-Out**"); and
- (D) following the Hive-Out and the satisfaction of certain conditions, either the exercise by StayCo of a put option or the exercise by the Share Purchaser of a call option in respect of the shares in the Company pursuant to which, if so exercised, StayCo will sell and the Share Purchaser will purchase the entire issued share capital of the Company (the "**Option Exercise**").

1.2 The Loan Sale Transaction, the Inter-Company Reorganisation, the Hive-Out and the Option Exercise each require the following actions to be taken respectively:

Loan Sale Transaction

- (A) the amendment of certain documents governing the Granite securitisation programme (with the consent of the Mortgages Trustee) to allow the redemption of all outstanding notes issued by Granite Master Issuer plc, Granite Mortgages 03-2 plc, Granite Mortgages 03-3 plc, Granite Mortgages 04-1 plc, Granite Mortgages 04-2 plc and Granite Mortgages 04-3 plc, and the unwind of the Granite securitisation programme;
- (B) in relation to the sterling loan agreement originally dated 14 September 2007 (as amended from time to time) (the "**SLA**"):
 - (i) the consent of Her Majesty's Treasury ("**HMT**") to:
 - (a) the disposal of core assets;
 - (b) the announcement of new guarantee arrangements;

- (c) the introduction of a new bank account; and
- (d) the creation of the various declarations of trust; and
- (ii) the waiver by HMT and the Bank of England of certain provisions of the SLA relating to mandatory prepayments and cash sweep principles;
- (C) the entry by the Company and Bradford & Bingley plc ("B&B") into the Servicing Agreements (as described in Section 3 below) whereby B&B (either directly or through NRAM as master servicer) will provide services to the end purchasers of the mortgage loans sold pursuant to the Loan Sale Transaction;
- (D) the establishment of a new bank account by the Company with National Westminster Bank plc in order to facilitate the payment of collections amounts to the Purchaser in connection with the Loan Sale Transaction;
- (E) the sale of certain unsecured loans to the Purchaser by the Company pursuant to the Unsecured Loan Sale Agreement and sale of the certain seasoned, performing mortgage loans by the Mortgages Trustee to the Purchaser pursuant to the Mortgages Sale Agreement for consideration of approximately £12.7 billion (and the execution of an escrow agreement between the Company, the Mortgages Trustee and the Purchaser governing how this consideration will be held prior to completion of the Loan Sale Transaction);

Inter-Company Reorganisation

- (F) the interposition of StayCo as an intermediate holding company of the Company;

Hive-Out

- (G) the transfer of certain real property from the Company to B&B, as it is not intended that this property forms part of the assets to be transferred to the Purchaser;
- (H) the transfer of all liabilities of the Company in relation to the NRAM Pension Scheme to StayCo and the implementation of ongoing funding arrangements between StayCo and the trustee of the NRAM Pension Scheme;
- (I) the transfer of all other assets and liabilities not intended to be sold to the Share Purchaser to StayCo; and

Option Exercise

- (J) subject to the satisfaction of certain conditions, the exercise either by StayCo of a put option or by the Share Purchaser of a call option in respect of the shares in the Company which, if so exercised, would result in the sale of the entire issued share capital of the Company to the Share Purchaser by StayCo,

(these actions, together with all other ancillary matters relating to the above, together being "**Project Neptune**").

- 1.3 In contemplation of each of the actions described above, the Company, StayCo, the Purchaser and the Share Purchaser shall enter into the Option Agreement, as described in Section 5 below.

2. **Timetable**

Execution of the Option Agreement is expected to occur on 11 November 2015. The Loan Sale Transaction is expected to complete on or around 7 December 2015 ("**Completion 1**"). The Share Sale Transaction is expected to complete in the first half of 2016 ("**Completion 2**"), with the Inter-Company Reorganisation and the Hive-Out occurring after Completion 1 but before Completion 2.

3. **Transaction Documents**

- 3.1 The Transaction Documents are listed in Annex II to the Resolution and a brief description of the principal Transaction Documents relevant to the Company is below:

Option Agreement

- (A) An option agreement (the "**Option Agreement**") among StayCo and the Company on the one hand and the Purchaser and the Share Purchaser on the other, relating to the acquisition by the Purchaser from the Company of the Completion 1 Loans (as defined in the Option Agreement), and the option of StayCo to sell to the Share Purchaser and the option of the Share Purchaser to acquire from StayCo the entire issued share capital of the Company.

BTSSA

- (B) A business transfer and share sale agreement (the "**BTSSA**") between StayCo and the Company, pursuant to which the Company will sell (or procure the sale of) and StayCo will purchase and pay for the shares the Company holds in other companies and, as a going concern, the business and assets that do not form part of the business and assets that will be purchased by the Purchaser pursuant to the Loan Sale Transaction or the Share Purchaser pursuant to the Option Agreement.

Servicing Agreements

- (C) The master servicing agreements and the interim servicing agreements (together the "**Servicing Agreements**") among NRAM, B&B and others, pursuant to which B&B and NRAM (as applicable in each case) will provide services to the end purchasers of the mortgage loans sold pursuant to the Loan Sale Transaction and the Option Agreement.

Tax Deed

- (D) The tax deed of covenant (the "**Tax Deed**") to be entered into between UKAR and the Share Purchaser pursuant to which UKAR indemnifies the Share Purchaser for certain tax liabilities of NRAM.

Ancillary Documents

- (E) It was further noted that a number of ancillary documents will be required in order to complete Project Neptune and to ensure that Completion 1 and Completion 2 execute properly (the "**Ancillary Documents**"). These include (but are not limited to):
 - (i) an escrow agreement between, among others, the Company, the Mortgages Trustee and the Purchaser, pursuant to which the consideration for the Loan Sale Transaction will be held in escrow prior to Completion 1 in the account detailed in the Escrow Agreement;
 - (ii) a mortgages sale agreement between the Mortgages Trustee and the Purchaser, pursuant to which the Mortgages Trustee will sell, and the Purchaser will purchase, the portfolio of mortgage loans which currently constitute the Granite securitisation assets;
 - (iii) an unsecured loan sale agreement between the Company and the Purchaser, pursuant to which the Company will sell and the Purchaser will purchase a portfolio of unsecured loans; and
 - (iv) a share purchase agreement to be entered into between UKAR and StayCo, pursuant to which UKAR will sell to StayCo, and StayCo will acquire from UKAR, the entire issued share capital of the Company in consideration for shares in StayCo.

4. Preferred Bidder

Project Neptune has been the subject of an auction process conducted by the Company and its sole shareholder, UK Asset Resolution Limited ("**UKAR**"), and advised upon by Credit Suisse and, following that process and after consideration of the various bidders and their bids, the directors of the Company and the directors of UKAR agreed to select the Purchaser as the preferred bidder (the "**Preferred Bidder**"). The selection of the Preferred Bidder was approved by UK Financial Investments Limited and HMT on 16 October 2015.

5. Prior Approvals

- 5.1 A meeting of the boards of directors of UKAR, the Company, StayCo and B&B (together the "**UKAR Group Companies**") was held on 15 October 2015 to consider Project Neptune. The boards of the UKAR Group Companies approved the selection of the Preferred Bidder and delegated the authority to approve Project Neptune to the Transaction Approvals Committee.

- 5.2 Drafts of the Transaction Documents (as defined in Annex II to this Resolution) were tabled at, and Project Neptune was approved at, a meeting of the Transaction Approvals Committee held on 9 November 2015.
- 5.3 The terms of Project Neptune have not materially changed since the above-mentioned meetings of the boards of the UKAR Group Companies and the Transaction Approvals Committee.

Annex II

Definition of Transaction Documents

1. In this Resolution, "**Transaction Documents**" means the latest drafts or agreed forms (as applicable) of each of the following documents to which the Company, UKAR, StayCo and/or B&B are a party:

1.	Deed of Alteration, Participation, Substitution, Departicipation and Apportionment in respect of the NRAM Pension Scheme (including a Flexible Apportionment Arrangement);
2.	Option Agreement;
3.	Disclosure Letter;
4.	Interim Servicing Agreement (Purchaser);
5.	Interim Servicing Agreement (TSB);
6.	Interim Servicing Agreement (BAWAG);
7.	Business Transfer and Share Sale Agreement;
8.	Tax Covenant;
9.	Collection Account Declaration of Trust (NRAM);
10.	Collection Account Declaration of Trust (StayCo);
11.	Notice to NatWest of Collection Account Declaration of Trust (NRAM);
12.	Acknowledgment from NatWest of Collection Account Declaration of Trust (NRAM);
13.	Notice to NatWest of Collection Account Declaration of Trust (StayCo);
14.	Intra Group Services Agreement Deed of Amendment and Novation;
15.	IP Assignment Agreement for NRAM CTM;
16.	Share Purchase Agreement;
17.	Voting Power of Attorney;
18.	Property Transfer Agreement;

19.	Granite Trustee Consent Letter;
20.	Deed of Amendment to the Mortgages Trust Deed;
21.	Amended Mortgages Trust Deed (appended as Schedule to Deed of Amendment);
22.	Secondary Deed of Amendment to the Mortgages Trust Deed;
23.	Escrow Agreement;
24.	Granite Mortgage Sale Agreement ;
25.	Unsecured Loan Sale Agreement;
26.	Scottish Declaration of Trust regarding the unsecured loans to be transferred to Neptune Unsecured 1 in favour of the Purchaser;
27.	Scottish Declaration of Trust regarding the unsecured loans to be transferred to Neptune Unsecured 2 in favour of the Purchaser;
28.	Scottish Declaration of Trust regarding the unsecured loans to be transferred to TSB in favour of the Purchaser;
29.	Scottish Declaration of Trust regarding the unsecured loans to be transferred to BAWAG in favour of the Purchaser;
30.	Scottish Declaration of Trust regarding the secured loans to be transferred to Neptune Rated in favour of the Purchaser;
31.	Scottish Declaration of Trust regarding the secured loans to be transferred to Neptune Unrated in favour of the Purchaser;
32.	Scottish Declaration of Trust regarding the secured loans to be transferred to TSB in favour of the Purchaser;
33.	Scottish Declaration of Trust regarding the secured loans to be transferred to BAWAG in favour of the Purchaser;
34.	Scottish Trust Transfer regarding the unsecured loans to be transferred to Neptune Unsecured 1;
35.	Scottish Trust Transfer regarding the unsecured loans to be transferred to Neptune Unsecured 2;
36.	Scottish Trust Transfer regarding the unsecured loans to be transferred by CERH LLC to TSB;

37.	Scottish Trust Transfer regarding the secured loans to be transferred to Neptune Rated;
38.	Scottish Trust Transfer regarding the secured loans to be transferred to Neptune Unrated;
39.	Scottish Trust Transfer regarding the secured loans to be transferred by CERH LLC to TSB;
40.	Scottish Trust Transfer regarding the secured loans to be transferred by CERH LLC to BAWAG;
41.	Scottish Trust Transfer regarding the unsecured loans to CERH (in relation to the re-transfer of the unsecured loans from TSB to CERH);
42.	Scottish Trust Transfer regarding the secured loans to CERH LLC (re: TSB portfolio);
43.	Scottish Trust Transfer regarding the unsecured loans to CERH LLC (re: TSB portfolio);
44.	Scottish Trust Transfer regarding the secured loans to CERH LLC (re: BAWAG portfolio);
45.	Servicing Agreement (CS Unsecured Warehouse);
46.	Servicing Agreement (MS Unsecured Warehouse);
47.	Servicing Agreement (Unrated Warehouse);
48.	Servicing Agreement (Rated Warehouse);
49.	NRAM Call Option Exercise Notice and Certificate re. Purchase Price;
50.	Notification of Receipt of Purchase Price;
51.	Legal Title Holder Solvency Certificate;
52.	Legal Title Holder Corporate Certificate;
53.	NRAM Corporate Certificate;
54.	NRAM Solvency Certificate;
55.	Legal Title Holder Power of Attorney (Rated Warehouse);
56.	Legal Title Holder Power of Attorney (Unrated Warehouse);

57.	Legal Title Holder Power of Attorney (MS Unsecured Warehouse);
58.	Legal Title Holder Power of Attorney (CS Unsecured Warehouse);
59.	Legal Title Holder Power of Attorney (TSB);
60.	Legal Title Holder Power of Attorney (BAWAG);
61.	Scottish Trust Security (Rated Warehouse);
62.	Scottish Trust Security (Unrated Warehouse);
63.	Scottish Trust Security (MS Unsecured Warehouse);
64.	Scottish Trust Security (CS Unsecured Warehouse);
65.	Third Supplemental Funding Agreement in respect of the NRAM Pension Scheme; and
66.	Secondary Funding Target Deed,

and all other documents which the directors of the Company consider relevant to or desirable for the completion of the Loan Sale Transaction, the Inter-Company Reorganisation, the Hive-Out or the Option Exercise and to which the Company, NRAM, StayCo and/or B&B are a party.

2. The following definitions apply to this Annex II in addition to those set out in the Resolution and Annex I thereto:

BAWAG	means BAWAG P.S.K..
CERH	means [Coot] European Residential Holdings B.V.
CERH LLC	means [Coot] European Residential Holdings, LLC.
Neptune Rated	means Neptune Rated Warehouse Limited.
Neptune Unrated	means Neptune Unrated Warehouse Limited.
Neptune Unsecured 1	means Neptune Unsecured Warehouse 1 Limited.
Neptune Unsecured 2	means Neptune Unsecured Warehouse 2 Limited.
TSB	means TSB Bank plc.