

**DEED OF AMENDMENT AND RESTATEMENT OF THE TERMS AND
CONDITIONS OF THE NOTES (HERMES XIV)**

between

Holland Mortgage Backed Series (Hermes) XIV B.V.

and

**Stichting Security Trustee European Holland Mortgage Backed Series
(Hermes) XIV**
as the Security Trustee

and

**Stichting Holland Euro-Denominated Mortgage-Backed Series (Hermes)
Holding**

Dated 8 February 2010
NautaDutilh N.V.
Amsterdam

● **NautaDutilh**

50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

Draft

Table of Contents

Clause	Page
1. Interpretation.....	3
2. Amendment of the Terms and Conditions of the Notes	4
3. Publication.....	4
4. Miscellaneous	4
5. Governing Law and jurisdiction	4

Annex Terms and Conditions of the Notes

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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This Deed of Amendment and Restatement is made on the 8th day of February 2010 among:

1. **Holland Mortgage Backed Series (Hermes) XIV B.V.**, a private company with limited liability ("*besloten vennootschap*") organised under the laws of the Netherlands, whose corporate seat is in Amsterdam, the Netherlands;
2. **Stichting Holland Euro-Denominated Mortgage-Backed Series (Hermes) Holding**, a foundation ("*stichting*") organised under the laws of the Netherlands, whose corporate seat is in Amsterdam, the Netherlands;
3. **Stichting Security Trustee Holland Mortgage Backed Series (Hermes) XIV**, a foundation ("*stichting*") organised under the laws of the Netherlands, whose corporate seat is in Amsterdam, the Netherlands.

(the parties under (1) up to and including (3) hereinafter referred to as the "**Parties**").

WHEREAS:

- (i) the Parties have, amongst others, entered into a securitisation transaction pursuant to which the Issuer has issued the Notes and used the proceeds thereof to purchase from the Seller the Mortgage Receivables (the "**Transaction**");
- (ii) in connection with the Transaction, the Parties have entered into a trust deed dated 28 September 2007 (the "**Trust Deed**");
- (iii) pursuant to Clause 2.6 of the Provisions for the Meetings of Noteholders the sole Noteholder has resolved in the Extraordinary Noteholders Resolution dated 8 February 2010 (I) to modify, with effect as of (and including) 8 February 2010, Clause 4(c) of the Conditions such that the margin on the Senior Class A2 Notes will be 1.15 per cent per annum and Clause 4(d) of the Conditions such that following the Step-Up Date the margin on the Senior Class A2 Notes will be 3.45 per cent per annum, and (II) to approve an amendment to the Swap Confirmation such that current margins in respect of the Senior Class A1 Notes and the Senior Class A2 Notes payable by the Swap Counterparty to the Issuer will be

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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replaced by the margins set out under (I) above;

- (iv) the Parties wish to amend the Terms and Conditions of the Notes (Schedule 5 to the Trust Deed) in accordance with the Extraordinary Resolution of the sole Noteholder;
- (v) the Security Trustee does not consider it to be necessary to have the Mortgage Receivables and the Beneficiary Rights relating thereto and the Security Trustee Pledged Assets revalued by one or more experts for the account of the Issuer as stated in Clause 19.2 of the Trust Deed;
- (vi) the sole Noteholder resolved in the Noteholders Extraordinary Resolution dated 8 February 2010 not to invoke its right to request the revaluation of the Mortgage Receivables and the Beneficiary Rights relating thereto and the Security Trustee Pledge Assets as stated in Clause 19.2 of the Trust Deed;

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. Interpretation

- 1.1. In this Deed (including its recitals), except so far as the context otherwise requires, words, expressions and capitalised terms used and not otherwise defined or construed herein shall have the same meanings as defined or construed in the master definitions agreement dated 26 September 2007 and signed by, amongst them, the Parties (the "**Master Definition Agreement**"). The rules of usage and interpretation as set forth in the Master Definitions Agreement and all other agreements and understandings between the parties hereto contained therein shall apply to this Deed, unless otherwise provided herein.
- 1.2. The expression, the "**Deed**" shall herein mean this Deed of Amendment of the Terms and Conditions of the Notes.
- 1.3. This Deed expresses and describes Netherlands legal concepts in English and not in their original Dutch terms. Consequently, this Deed is concluded on the express condition that all words, terms and expressions used herein shall be construed and interpreted in accordance with the laws of the Netherlands.

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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2. Amendment of the Terms and Conditions of the Notes

The Parties agree that with effect as of (and including) 8 February 2010 the Terms and Conditions of the Notes (Schedule 5 to the Trust Deed) shall be amended and restated in the form as attached hereto as **Annex**.

3. Publication

The Issuer shall publish the amendments to the Terms and Conditions as required by law and in accordance with Condition 13.

4. Miscellaneous

To the extent permitted by law, the Parties hereby waive their rights pursuant to Articles 6:265 to 6:272 inclusive of Dutch Civil Code to dissolve ("*ontbinden*"), or demand in legal proceedings to dissolution ("*ontbinding*") of, this Deed. Furthermore, to the extent permitted by law, the Parties hereby waive their rights under Article 6:228 of the Dutch Civil Code to nullify, or demand in legal proceedings the nullification of, this Deed on the ground of error ("*dwaling*").

5. Governing Law and jurisdiction

5.1. This Deed, including Clause 5.2 hereof, shall be governed by and construed in accordance with the laws of the Netherlands.

5.2. Any disputes arising out of or in connection with this Deed shall be submitted to the competent court in Amsterdam, provided that this submission to the jurisdiction of the Amsterdam court shall not limit the right of the Issuer or the Security Trustee to institute proceedings against any of the other Parties in any court of competent jurisdiction nor shall the instituting of proceedings against any of the other Parties in any or more jurisdictions preclude the instituting of proceedings by the Issuer or the Security Trustee in any other jurisdiction, whether concurrently or not.

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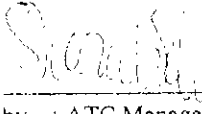

50083654 (Hermes XIV Spread A1&A2 Notes)
Deed of Amendment of the Terms and
Conditions of the Notes Hermes XIV
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IN WITNESS WHEREOF the Parties have executed this Deed the day and year first above written.

Signed in Amsterdam on 8 February 2010.

S.S. Razab-Sekh
Proxy Holder

Holland Mortgage Backed Series (Hermes) XIV B.V.


by : ATC Management B.V.
title : managing director
by : 
title : proxy holder


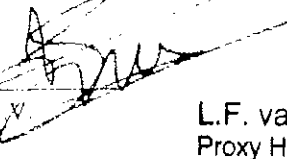
L.F. van der Sman
Proxy Holder

Stichting Security Trustee Holland Mortgage Backed Series (Hermes) XIV

by : ANT Trust & Corporate Services N.V.
title : managing director
by :
title : proxy holder

S.S. Razab-Sekh
Proxy Holder

**Stichting Holland Euro-Denominated Mortgage-Backed Series (Hermes)
Holding**


by : ATC Management B.V.
title : managing director
by : 
title : proxy holder

L.F. van der Sman
Proxy Holder

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50083654 (Hermes XIV Spread A1 & A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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IN WITNESS WHEREOF the Parties have executed this Deed the day and year first above written.

Signed in Amsterdam on 8 February 2010.

Holland Mortgage Backed Series (Hermes) XIV B.V.

by : ATC Management B.V.

title : managing director

by :

title : proxy holder

Stichting Security Trustee Holland Mortgage Backed Series (Hermes) XIV

by : ANT Trust & Mortgage Services N.V.

title : managing director

by :

title : proxy holder

Stichting Holland Euro-Denominated Mortgage-Backed Series (Hermes) Holding

by : ATC Management B.V.

title : managing director

by :

title : proxy holder

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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ANNEX

TERMS AND CONDITIONS OF THE NOTES

If Notes are issued in definitive form, the terms and conditions (the "Conditions") will be as set out below. The Conditions will be endorsed on each Note in definitive form if they are issued. While the Notes remain in global form, the same terms and conditions govern the Notes, except to the extent that they are not appropriate for Notes in global form. See The Global Notes below.

The issue of the euro 500,000,000 Senior Class A1 Mortgage-Backed Notes 2007 due 2039 (the "**Senior Class A1 Notes**"), the euro 1,398,000,000 Senior Class A2 Mortgage-Backed Notes 2007 due 2039 (the "**Senior Class A2 Notes**" and together with the Senior Class A1 Notes the "**Senior Class A Notes**"), the euro 16,000,000 Class B Mortgage-Backed Notes 2007 due 2039 (the "**Mezzanine Class B Notes**"), the euro 54,000,000 Mezzanine Class C Mortgage-Backed Notes 2007 due 2039 (the "**Mezzanine Class C Notes**"), the euro 14,000,000 Junior Class D Mortgage-Backed Notes 2007 due 2039 (the "**Junior Class D Notes**") and the euro 18,000,000 Subordinated Class E Mortgage-Backed Notes 2007 due 2039 (the "**Subordinated Class E Notes**", and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes, the "**Notes**") was authorised by a resolution of the managing director of Holland Mortgage Backed Series (Hermes) XIV B.V. (the "**Issuer**") passed on 13 September 2007. The Notes are issued under a trust deed dated 28 September 2007 (the "**Trust Deed**") between the Issuer, Stichting Security Trustee Holland Mortgage Backed Series (Hermes) XIV (the "**Security Trustee**") and Stichting Holland Euro-Denominated Mortgage-Backed Series (Hermes) Holding.

The statements in these terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of (i) the Trust Deed, which will include the form of the Notes and the interest coupons appertaining to the Notes (the "**Coupons**"), the forms of the Temporary Global Notes and the Permanent Global Notes, (ii) a paying agency agreement (the "**Paying Agency Agreement**") dated 28 September 2007 between the Issuer, the Security Trustee and ABN AMRO Bank N.V. as paying agent (the "**Paying Agent**") and reference agent (the "**Reference Agent**"), (iii) the administration agreement (the "**Administration Agreement**") dated 28 September 2007 between the Issuer, the Pool Servicers, the Issuer Administrator and the Security Trustee, (iv) a parallel debt agreement (the "**Parallel Debt Agreement**") dated 28 September 2007 between the Issuer, the Security Trustee and the Secured Parties (other than the Noteholders), (v) a pledge agreement dated 28 September 2007 (the "**Security Trustee Receivables Pledge Agreement** ") between the Issuer and the Security Trustee and (vi) a pledge agreement dated 28 September 2007 (the "**Security Trustee Assets Pledge Agreement** ") between the Issuer, the Security Trustee and others (jointly with the Security Trustee Receivables Pledge Agreement, the "**Pledge Agreements**").

Certain words and expressions used below are defined in a master definitions agreement (the "**Master Definitions Agreement**") to be dated 26 September 2007 and signed by the Issuer, the Security Trustee, each Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. As used herein, "**Class**" means either the Senior Class A Notes, the

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes or the Subordinated Class E Notes, as the case may be.

Copies of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement and certain other Relevant Documents (see under General Information) are available for inspection, free of charge, by holders of the Notes (the "Noteholders") at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement.

1. Form, Denomination and Title

The Notes will be in bearer form serially numbered with Coupons attached on issue in denomination of euro 50,000 each. Under Netherlands law, the valid transfer of Notes or Coupons requires, *inter alia*, delivery ("*levering*") thereof. The Issuer, the Security Trustee and the Paying Agent may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment and no person shall be liable for so treating such holder. The signatures on the Notes will be in facsimile.

2. Status, Relationship between the Notes and Security

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class.
- (b) In accordance with the provisions of Conditions 4, 6 and 9 and the Trust Deed (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes (ii) payments of principal and interest on the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes and (iii) payments of principal and interest on the Junior Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes and (iv) payments of principal and interest on the Subordinated Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes.
- (c) The security for the obligations of the Issuer towards the Noteholders (the "**Security**") will be created pursuant to, and on the terms set out in, the Trust Deed, the Parallel Debt Agreement and the Pledge Agreements, which will create the following security rights:
 - (i) a pledge by the Issuer to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights;
 - (ii) a pledge by the Issuer to the Security Trustee of the Issuer's rights under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Cash Advance Facility Agreement, (iii) the Administration Agreement, (iv) the Sub-Participation Agreement, (v) the Swap Agreement, (vi) the Floating Rate GIC and (vii) in respect of the Floating Rate GIC Account.

- (d) The Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes will be secured (directly and/or indirectly) by the Security. The Senior Class A Notes will rank in priority to the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes, the Mezzanine Class B Notes will rank in priority to the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes, the Mezzanine Class C Notes will rank in priority to the Junior Class D Notes and the Subordinated Class E Notes and the Junior Class D Notes will rank in priority to the Subordinated Class E Notes in the event of the Security being enforced. The "**Most Senior Class of Notes**" means the Senior Class A Notes or if there are no Senior Class A Notes outstanding, the Mezzanine Class B Notes, or if there are no Mezzanine Class B Notes outstanding, the Mezzanine Class C Notes, or if there are no Mezzanine Class C Notes outstanding, the Junior Class D Notes, or if there are no Junior Class D Notes outstanding, the Subordinated Class E Notes. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the holders of the Senior Class A Notes (the "**Senior Class A Noteholders**"), the holders of the Mezzanine Class B Notes (the "**Mezzanine Class B Noteholders**"), the holders of the Mezzanine Class C Notes (the "**Mezzanine Class C Noteholders**"), the holders of the Junior Class D Notes (the "**Junior Class D Noteholders**") and the holders of the Subordinated Class E Notes (the "**Subordinated Class E Noteholders**"), as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) but requiring the Security Trustee in any such case to have regard only to the interests of the holders of the Most Senior Class of Notes, if, in the Security Trustee's opinion, there is a conflict between the interests of the holders of the Most Senior Class of Notes on the one hand and the holders of junior ranking Notes on the other hand.

In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that, in case of a conflict of interest between the Secured Parties, the Priority of Payments upon Enforcement set forth in the Trust Deed, determines which interest of which Secured Party prevails.

3. **Covenants of the Issuer**

As long as any of the Notes remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent Netherlands business practice and in accordance with the requirements of Netherlands law and accounting practice and shall not, except to the extent permitted by the Master Definitions Agreement, the Mortgage Receivables Purchase Agreement, the Administration Agreement, the Swap Agreement, the Floating Rate GIC, the Cash Advance Facility Agreement, the Pledge Agreements, the Parallel Debt Agreement, the Class A Notes Purchase Agreement, the Class B, C, D and E Notes Purchase Agreement, the Sub-Participation Agreement, the Beneficiary Waiver Agreement, the Notes, the Paying Agency Agreement, the Management Agreements, the Deed of Assignment and the Trust Deed (together the "**Relevant Documents**") or with the prior written consent of the Security Trustee:

- (a) carry out any business other than as described in the Prospectus dated 28 September 2007 relating to the issue of the Notes and as contemplated by the Relevant Documents;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness;

● NautaDutilh

50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of or grant any options or rights on any part of its assets;
- (d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (e) permit the validity or effectiveness of the Relevant Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking; or
- (g) have an interest in any bank account other than the Floating Rate GIC Account and the account, if any, on which the swap collateral will be posted, unless all rights in relation to such account have been pledged to the Security Trustee as provided in Condition 2(c)(ii).

4. Interest

(a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding from and including the Closing Date. Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 13) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period (including any Interest Period), such interest shall be calculated on the basis of the actual days elapsed in such period and a 360 day year.

(b) *Interest Periods and Payment Dates*

Interest on the Notes is payable by reference to successive interest periods. Each successive interest period will commence on (and include) a Payment Date and end on (but exclude) the next succeeding Payment Date, except for the first interest period which will commence on (and include) the Closing Date and end on (but exclude) the Payment Date falling in November 2007 (each an "**Interest Period**").

Interest on each of the Notes shall be payable quarterly in arrear in euros, in each case in respect of the Principal Amount Outstanding of each Class of Notes on the 18th day of February, May, August and November (or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day) in each year (each such day being a "**Payment Date**").

● NautaDutilh

50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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A "**Business Day**" means each day the Trans-European Automated Real-Time Gross settlement Express Transfer System ("**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

(c) *Interest prior to the Step-Up Date*

As of (and including) 8 February 2010 up to (but excluding) the Payment Date falling in February 2013 (the "**Step-Up Date**"), interest on the Notes for each Interest Period will accrue from the Closing Date at an annual rate of interest equal to the sum of the Euro Interbank Offered Rate ("**Euribor**") for three months deposits in euros (determined in accordance with paragraph (e) below) (or, in respect of the first Interest Period, the rate which represents the linear interpolation of Euribor for one and two months deposits in euro), plus:

- (i) for the Senior Class A1 Notes, a margin of 0.33 per cent. per annum;
- (ii) for the Senior Class A2 Notes, a margin of 1.15 per cent. per annum;
- (iii) for the Mezzanine Class B Notes, a margin of 0.60 per cent. per annum;
- (iv) for the Mezzanine Class C Notes, a margin of 1.10 per cent. per annum;
- (v) for the Junior Class D Notes, a margin of 1.80 per cent. per annum; and
- (vi) for the Subordinated Class E Notes, a margin of 3.25 per cent. per annum.

(d) *Interest following the Step-Up Date*

If on the Step-Up Date any Class of Notes have not been redeemed in full, the rate of interest applicable to the Notes will accrue in the Interest Period commencing on the Step-Up Date and each Interest Period thereafter at an annual rate equal to the sum of Euribor for three months deposits in euros, plus:

- (i) for the Senior Class A1 Notes, a margin of 0.99 per cent. per annum;
- (ii) for the Senior Class A2 Notes, a margin of 3.45 per cent. per annum;
- (iii) for the Mezzanine Class B Notes, a margin of 1.50 per cent. per annum;
- (iv) for the Mezzanine Class C Notes, a margin of 2.20 per cent. per annum;
- (v) for the Junior Class D Notes, a margin of 2.70 per cent. per annum; and
- (vi) for the Subordinated Class E Notes, a margin of 4.06 per cent. per annum.

The rates of interest set forth in Conditions 4(c) and 4(d) are hereinafter referred to as the "**Rates of Interest**")

(e) *Euribor*

For the purpose of Conditions 4(c) and (d) Euribor will be determined as follows:

- (i) The Reference Agent will, subject to Condition 4(c) obtain for each Interest Period the rate equal to Euribor for three months deposits in euros. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR01, (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the Euribor rate selected by the Reference Agent) as at or about 11.00 am (Brussels time) on the day that is two Business Days preceding the first day of each Interest Period (each an "**Euribor Interest Determination Date**")]
- (ii) If, on the relevant Euribor Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI — The Financial Market Association, or if it is not

● NautaDutilh

50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:

- (A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market (the "**Euribor Reference Banks**") to provide a quotation for the rate at which three months euro deposits are offered by it in the Euro-zone interbank market at approximately 11.00 am (Brussels time) on the relevant Euribor Interest Determination Date to prime banks in the Euro-zone interbank market in an amount that is representative for a single transaction at that time; and
 - (B) if at least two quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as provided; and
- (iii) if fewer than two such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the Euro-zone, selected by the Reference Agent, at approximately 11.00 am (Brussels time) on the relevant Euribor Interest Determination Date for three months deposits to leading Euro-zone banks in an amount that is representative for a single transaction in that market at that time,

and Euribor for such Interest Period shall be the rate per annum equal to Euribor for three months euro deposits as determined in accordance with this paragraph (e), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in relation to any Interest Period, Euribor applicable to the Senior Class A1 Notes, the Senior Class A2 Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes during such Interest Period will be Euribor last determined in relation thereto.

- (f) *Determination of the Rates of Interest and Calculation of Interest Amounts*
The Reference Agent will, as soon as practicable after 11.00 am (Brussels time) on each Euribor Interest Determination Date, determine the Rates of Interest referred to in paragraph (c), (d) and (e) above for each Class of Notes and calculate the amount of interest payable on each of the Notes for the following Interest Period (the "**Interest Amount**") by applying, as provided in Condition 4(a), the relevant Rates of Interest to the Principal Amount Outstanding of each Class of Notes respectively. The determination of the relevant Rates of Interest and each Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.
- (g) *Notification of Rates of Interest and Interest Amounts*
The Reference Agent will cause the relevant Rates of Interest and the relevant Interest Amount and the Payment Date applicable to each relevant Class of the Notes to be notified to the Issuer, the Security Trustee, the Paying Agent, the Issuer Administrator, Euronext Amsterdam and to the holders of such Class of Notes by an advertisement in the English language in the Euronext Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam for as long as the Notes are listed on Euronext Amsterdam, as soon as possible after the determination.

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

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The Rates of Interest, Interest Amount and Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(h) *Determination or Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Rates of Interest or fails to calculate the relevant Interest Amounts in accordance with Condition 4(f) above, the Security Trustee shall determine the relevant Rate of Interest, at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in Condition 4(e) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Interest Amounts in accordance with Condition 4(f) above, and each such determination or calculation shall (in the absence of manifest error) be final and binding on all parties.

(i) *Reference Banks and Reference Agent*

The Issuer will procure that, as long as any of Notes remains outstanding, there will at all times be four Reference Banks and a Reference Agent. The Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent or of any Reference Bank by giving at least 90 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as a Reference Bank, or the Reference Agent (as the case may be) or if the appointment of any Reference Bank or the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Reference Bank or Reference Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

5. Payment

- (a) Payment of principal and interest in respect of Notes will be made upon presentation of the Note and against surrender of the relevant Coupon appertaining thereto at any specified office of the Paying Agent in cash or by transfer to an euro account, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.
- (b) At the Final Maturity Date, or such earlier date the Notes become due and payable, the Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become void pursuant to Condition 8).
- (c) If the relevant Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon, the holder thereof shall not be entitled to payment until the next following day on which banks are

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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open for business in the place of presentation, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the day on which banks in the place of such account are open for business immediately following the day on which banks are open for business in the Netherlands.

- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in a European city which, for as long as the Notes are listed on Eurolist by Euronext Amsterdam N.V., shall be located in Amsterdam, the Netherlands. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the Paying Agent will be given to the Noteholders in accordance with Condition 13.

6. Redemption

(a) *Final redemption*

If and to the extent not otherwise redeemed, the Issuer will, subject to Condition 9(b), redeem the Notes at their respective Principal Amount Outstanding on the Payment Date falling in November 2039 (the "**Final Maturity Date**").

(b) *Mandatory redemption*

Provided that no Enforcement Notice has been served in accordance with Condition 10, without prejudice to the obligations in Condition 6(g), the Issuer shall be obliged to apply the Redemption Available Amount to redeem, whether in full or in part, at their respective Principal Amount Outstanding the Notes on each Payment Date on a *pro rata* basis in the following order, (i) firstly, the Senior Class A1 Notes until fully redeemed, and, thereafter, (ii) Senior Class A2 Notes until fully redeemed, and, thereafter, (iii) the Mezzanine Class B Notes until fully redeemed, and, thereafter, (iv) the Mezzanine Class C Notes until fully redeemed and, thereafter, (v) the Junior Class D Notes until fully redeemed and, thereafter, (vi) the Subordinated Class E Notes until fully redeemed.

The principal amount so redeemable in respect of each relevant Note (each a "**Principal Redemption Amount**") on the relevant Payment Date shall be the Redemption Available Amount (as applicable to each Class of Notes) on the Calculation Date relating to that Payment Date divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro), provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(c) *Definitions*

For the purposes of these Conditions the following terms shall have the following meanings:

"**Principal Amount Outstanding**" of any Note on any Calculation Date, shall be the principal amount of that Note upon issue less the aggregate amount of all Principal Redemption Amounts and Further Redemption Amounts that have become due and payable prior to such Payment Date, provided that for the

● **NautaDutilh**

50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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purpose of Conditions 4, 6 and 10 all Principal Redemption Amounts and Further Redemption Amounts that have become due and not been paid shall not be so deducted.

"Redemption Available Amount" shall mean on any Calculation Date the aggregate amount received by the Issuer during the immediately preceding Calculation Period:

- (a) as repayment and prepayment of principal under the Mortgage Receivables, but excluding prepayment penalties less, with respect to each Savings Mortgage Receivable with the Savings Alternative, the Participation in such Savings Mortgage Receivable;
- (b) as Net Proceeds on any Mortgage Receivable to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable with the Savings Alternative, the Participation in such Savings Mortgage Receivable;
- (c) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable with the Savings Alternative, the Participation in such Savings Mortgage Receivable;
- (d) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable with the Savings Alternative, the Participation in such Savings Mortgage Receivable;
- (e) as amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Payment Date in accordance with the Administration Agreement;
- (f) as Participation Increase and as amounts to be received as Initial Participation on the immediately succeeding Payment Date pursuant to the Sub-Participation Agreement; and
- (g) as amounts equal to the excess (if any) of (a) the sum of the aggregate proceeds of the issue of the Notes and the Initial Participation in respect of the Savings Mortgage Receivables over (b) the Initial Purchase Price of the Mortgage Receivables.

"Net Proceeds" shall mean the sum of (a) the proceeds of a foreclosure on the mortgage right, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Mortgage Receivable, including but not limited to life insurance and fire insurance, (d) the proceeds of any guarantees or sureties, and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs.

"Calculation Date" means, in relation to a Calculation Period, the second business day prior to each Payment Date.

"Calculation Period" means, in relation to a Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Calculation Date.

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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"Mortgage Calculation Period" means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month except for the first Mortgage Calculation Period which will commence on (and includes) the Cut-off Date and ends on (and includes) 30 September 2007.

- (d) *Determination of the Principal Redemption Amount, the Redemption Available Amount, the Further Redemption Amount, the Further Redemption Available Amount and Principal Amount Outstanding*
- (i) On each Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (x) the Redemption Available Amount and, as the case may be, the Further Redemption Available Amount, (y) the Principal Redemption Amount due for the Notes of the relevant Class on the Payment Date and, as the case may be, the Further Redemption Amount due for the relevant Class of Notes on the Payment Date, and (z) the Principal Amount Outstanding of the relevant Note on the first day following the Payment Date. Each such determination by or on behalf of the Issuer shall in each case (in the absence of manifest error) be final and binding on all persons.
- (ii) The Issuer or the Issuer Administrator on its behalf will on each Calculation Date cause each determination of (x) the Redemption Available Amount and, as the case may be, the Further Redemption Available Amount, (y) the Principal Redemption Amount due for the relevant Class of Notes on the Payment Date and, as the case may be, the Further Redemption Amount due for the relevant Class of Notes on the Payment Date, and (z) the Principal Amount Outstanding of the Notes to be notified forthwith to the Security Trustee, the Paying Agent, the Reference Agent, Euroclear and Clearstream, Luxembourg, Euronext Amsterdam and to the holders of Notes by an advertisement in the English language in the Euronext Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam, for as long as the Notes are listed on Euronext Amsterdam. If no Principal Redemption Amount is due to be made on the Notes on any applicable Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 13.
- (iii) If the Issuer or the Issuer Administrator on its behalf does not at any time for any reason determine (x) the Redemption Available Amount and, as the case may be, the Further Redemption Available Amount, (y) the Principal Redemption Amount due for the relevant Class of Notes on the Payment Date and, as the case may be, the Further Redemption Amount due for the relevant Class of Notes on the Payment Date, and (z) the Principal Amount Outstanding of the Notes, such (x) Redemption Available Amount and, as the case may be, Further Redemption Available Amount, (y) Principal Redemption Amount due for the relevant Class of Notes on the Payment Date and, as the case may be, Further Redemption Amount due for the relevant Class of Notes on the Payment Date, and (z) Principal Amount Outstanding of the Notes shall be determined by the Security Trustee in accordance with Condition 6(a), (b) and (c) (but based upon the information in its possession as to the Principal Redemption Amount due for the relevant Class of Notes on the Payment Date and, as the case may be, the Further Redemption Amount

● NautaDutilh

50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

Execution copy

due for the relevant Class of Notes on the Payment Date) and each such determination or calculation shall be deemed to have been made by the Issuer and shall in each case (in the absence of manifest error) be final and binding on all persons.

(e) *Optional Redemption*

Unless previously redeemed in full, the Issuer may, at its option, on giving not more than 60 nor less than 30 days written notice to the Security Trustee and the Noteholders in accordance with Condition 13, on the Payment Date falling in February 2013 and on any Payment Date thereafter (each an "**Optional Redemption Date**") redeem all (but not some only) Notes, at their Principal Amount Outstanding on such date if the Issuer has sufficient funds available to it for this purpose, less (i) in the case of the Mezzanine Class B Notes, the Mezzanine Class B Principal Shortfall (if any), (ii) in the case of the Mezzanine Class C Notes, the Mezzanine Class C Principal Shortfall (if any), (iii) in the case of the Junior Class D Notes, the Junior Class D Principal Shortfall (if any) and (iv) in the case of the Subordinated Class E Notes, the Subordinated Class E Principal Shortfall (if any).

(f) *Clean-up call*

If on any Payment Date the aggregate outstanding principal amount of the Mortgage Receivables is equal to or less than ten (10) per cent. of the aggregate outstanding principal amount of the Mortgage Receivables on the Closing Date, the Issuer has the option (but not the obligation) to redeem all of the Notes, in whole but not in part at their Principal Amount Outstanding, subject to and in accordance with Condition 9(b). No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 days notice to the Noteholders and the Security Trustee prior to the relevant Payment Date.

(g) *Further Mandatory Redemption*

Provided that no Enforcement Notice has been served in accordance with Condition 10 and, without prejudice to the obligations in Condition 6(b), the Issuer will be obliged to apply the Further Redemption Available Amount to redeem (or partially redeem) the Senior Class A1 Notes, the Senior Class A2 Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and/or the Subordinated Class E Notes on the Step-Up Date and each Payment date thereafter on a *pro rata* basis in the following order (a) firstly, the Senior Class A1 Notes until fully redeemed, and, thereafter, (b) the Senior Class A2 Notes until fully redeemed, and, thereafter, (c) the Mezzanine Class B Notes until fully redeemed, and, thereafter, (d) the Mezzanine Class C Notes until fully redeemed, and, thereafter, (e) the Junior Class D Notes until fully redeemed, and, thereafter, (f) the Subordinated Class E Notes until fully redeemed. For the purpose of this Condition "**Further Redemption Available Amount**" shall mean an amount equal to the positive difference, if any, between the Interest Available Amount as calculated on each Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (p). The principal amount so redeemable in respect of each Note (the "**Further Redemption Amount**"), on the relevant

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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Payment Date shall be the Further Redemption Available Amount on the Calculation Date relating to the Payment Date divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro), provided always that the amount so redeemable, taking into account any Principal Redemption Amount due in accordance with Condition 6(b), may never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the relevant amount redeemable in respect of the Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(h) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer, in whole, but not in part, on any Payment Date at their Principal Amount Outstanding, subject to Condition 9(b), together with interest accrued up to and including the date of redemption, on giving not less than 30 nor more than 60 days' notice to the Noteholders and the Security Trustee at their Principal Amount Outstanding, if, immediately prior to giving such notice, the Issuer has satisfied the Security Trustee that:

- (a) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties, or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the application of the laws or regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and
- (b) the Issuer will have sufficient funds available on the Calculation Date immediately preceding such Payment Date to discharge all amounts of principal and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Class of Notes in accordance with the Trust Deed.

No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

7. Taxation

All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts shall be payable in respect of any Note or Coupon presented for payment where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.

8. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed and become void unless made within five years from the date on which such payment first becomes due.

9. Subordination

(a) Interest

Interest on the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes shall be payable in accordance with the provisions of Conditions 4 and 5, subject to the terms of this Condition.

In the event that on any Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Mezzanine Class B Notes on the next Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of interest due on such Payment Date to the holders of the Mezzanine Class B Notes. In the event of a shortfall, the Issuer shall credit the Mezzanine Class B Notes Interest Shortfall Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Mezzanine Class B Notes, on any Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Mezzanine Class B Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Mezzanine Class B Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Mezzanine Class B Note on the next succeeding Payment Date.

In the event that on any Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Mezzanine Class C Notes on the next Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of interest due on such Payment Date to the holders of the Mezzanine Class C Notes. In the event of a shortfall, the Issuer shall credit the Mezzanine Class C Notes Interest Shortfall Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Mezzanine Class C Notes, on any Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Mezzanine Class C Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Mezzanine Class C Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Mezzanine Class C Note on the next succeeding Payment Date.

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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In the event that on any Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Junior Class D Notes on the next Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of interest due on such Payment Date to the holders of the Junior Class D Notes. In the event of a shortfall, the Issuer shall credit the Junior Class D Notes Interest Shortfall Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Junior Class D Notes, on any Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Junior Class D Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Junior Class D Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Junior Class D Note on the next succeeding Payment Date.

In the event that on any Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Subordinated Class E Notes on the next Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of interest due on such Payment Date to the holders of the Subordinated Class E Notes. In the event of a shortfall, the Issuer shall credit the Subordinated Class E Notes Interest Shortfall Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Subordinated Class E Notes, on any Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Subordinated Class E Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Subordinated Class E Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Subordinated Class E Note on the next succeeding Payment Date.

(b) *Principal*

Until the date on which the Principal Amount Outstanding of all Senior Class A1 Notes and the Senior Class A2 Notes is reduced to zero, the Mezzanine Class B Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class B Notes. If, on any Payment Date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Mezzanine Class B Note on such Payment Date shall not exceed its Principal Amount Outstanding less the Mezzanine Class B Principal Shortfall on such Payment Date. The "**Mezzanine Class B Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the Class B Principal Deficiency Ledger and the number of Mezzanine Class B Notes outstanding on such Payment Date. The Mezzanine Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class B Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Floating Rate

● **NautaDutilh**

50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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GIC Account and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of all Senior Class A1 Notes, the Senior Class A2 Notes and Mezzanine Class B Notes are reduced to zero, the Mezzanine Class C Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class C Notes. If, on any Payment Date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class C Note on such Payment Date shall not exceed its Principal Amount Outstanding less the Mezzanine Class C Principal Shortfall on such Payment Date. The "**Mezzanine Class C Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the Class C Principal Deficiency Ledger and the number of Mezzanine Class C Notes outstanding on such Payment Date. The Mezzanine Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class C Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Floating Rate GIC Account and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of all Senior Class A1 Notes, the Senior Class A2 Notes, Mezzanine Class B Notes and Mezzanine Class C Notes are reduced to zero, the Junior Class D Noteholders will not be entitled to any repayment of principal in respect of the Junior Class D Notes. If, on any Payment Date, there is a balance on the Class D Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Junior Class D Note on such Payment Date shall not exceed its Principal Amount Outstanding less the Junior Class D Principal Shortfall on such Payment Date. The "**Junior Class D Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the Class D Principal Deficiency Ledger and the number of Junior Class D Notes outstanding on such Payment Date. The Junior Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Junior Class D Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Floating Rate GIC Account and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of all Senior Class A1 Notes, the Senior Class A2 Notes, Mezzanine Class B Notes, Mezzanine Class C Notes and the Junior Class D Notes are reduced to zero, the Subordinated Class E Noteholders will not be entitled to any repayment of principal in respect of the Subordinated Class E Notes. If, on any Payment Date, there is a balance on the Class E Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Subordinated Class E Note on such Payment Date shall not exceed its Principal Amount Outstanding less the Subordinated Class E Principal Shortfall on such Payment Date. The "**Subordinated Class E Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the Class E Principal Deficiency Ledger and the number of Subordinated Class E Notes outstanding on such Payment Date. The Subordinated Class E Noteholders shall have no further

claim against the Issuer for the Principal Amount Outstanding on the Subordinated Class E Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Floating Rate GIC Account and the Issuer has no further rights under or in connection with any of the Relevant Documents.

(c) *General*

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to a Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of the relevant Class of Notes shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

10. Events of Default

The Security Trustee at its discretion may, and if so directed by an Extraordinary Resolution of the Senior Class A Noteholders, or if no Senior Class A Notes are outstanding, by an Extraordinary Resolution of the Mezzanine Class B Noteholders, or if no Senior Class A Notes and Mezzanine Class B Notes are outstanding, by an Extraordinary Resolution of the Mezzanine Class C Noteholders, or if no Senior Class A Notes, Mezzanine Class B Notes and Mezzanine Class C Notes are outstanding, by an Extraordinary Resolution of the Junior Class D Noteholders, or if no Senior Class A Notes, Mezzanine Class B Notes, Mezzanine Class C Notes and Junior Class D Notes are outstanding, by an Extraordinary Resolution of the Subordinated Class E Noteholders (subject, in each case, to being indemnified to its satisfaction) (in each case, the "**Relevant Class**") shall (but in the case of the occurrence of any of the events mentioned in (b) below, only if the Security Trustee shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class) give notice (an "**Enforcement Notice**") to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur:

- (a) default is made for a period of seven (7) days in the payment of the principal of, or default is made for a period of 14 days in the payment of interest on, the Notes of the Relevant Class when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of 21 days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment ("*conservatoir beslag*") or an executory attachment ("*executoriaal beslag*") on any major part of the Issuer's assets is made and not discharged or released within a period of 21 days; or
- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its assets; or

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50083654 (Hermes XIV Spread A1&A2 Notes)

Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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- (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment ("*akkoord*") with, its creditors; or
- (f) the Issuer files a petition for a suspension of payments ("*surseance van betaling*") or for bankruptcy ("*faillissement*") or is declared bankrupt,

provided that, if more than one Class of Notes is outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of any Class of Notes ranking junior to the Most Senior Class of Notes irrespective of whether an Extraordinary Resolution is passed by the holders of such Class or Classes of Notes ranking junior to the Most Senior Class of Notes, unless an Enforcement Notice in respect of the Most Senior Class of Notes has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Most Senior Class of Notes, the Security Trustee shall not be required to have regard to the interests of the holders of any Class of Notes ranking junior to the Most Senior Class of Notes.

11. Enforcement

- (a) At any time after an Enforcement Notice has been given and the Notes of any Class become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Parallel Debt Agreement, including the making of a demand for payment thereunder, the Trust Deed, the Pledge Agreements and the Notes and Coupons, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Senior Class A Noteholders or, if all amounts due in respect of the Senior Class A Notes have been fully paid, the Mezzanine Class B Noteholders or, if all amounts due in respect of the Senior Class A Notes and the Mezzanine Class B Notes have been fully paid, the Mezzanine Class C Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes have been fully paid, the Junior Class D Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes have been fully paid, the Subordinated Class E Noteholders and (ii) it shall have been indemnified to its satisfaction.
- (b) No Noteholder may proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- (c) The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one year after the latest maturing Note is paid in full. The Noteholders accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security.

12. Indemnification of the Security Trustee

The Trust Deed contains provisions for the indemnification of the Security Trustee in the circumstances set out therein and for its relief from responsibility.

13. Notices

With the exception of the publications from the Reference Agent in Condition 4 and from the Issuer in Condition 6, all notices to the Noteholders will only be valid if published in the English language in at least one daily newspaper of wide circulation in the Netherlands, or, if such newspaper shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Notes are listed on Eurolist by Euronext Amsterdam N.V., in the English language in the Euronext Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam. Any such notice shall be deemed to have been given on the first date of such publication.

14. Meetings of Noteholders; Modification; Consents; Waiver

- (a) The Trust Deed contains provisions for convening separate meetings of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders and the Subordinated Class E Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class or a change of any of these Conditions or any provisions of the Relevant Documents. Instead of at a general meeting, a resolution of the Noteholders of the relevant Class may be passed in writing - including by telegram, facsimile or telex transmission, or in the form of a message transmitted by any accepted means of communication and received or capable of being produced in writing - provided that all Noteholders with the right to vote have voted in favour.

No change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the rate of interest payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such Class of Notes referred to below as a "**Basic Terms Change**") shall be effective unless such Basic Terms Change is sanctioned by Extraordinary Resolution of the Noteholders of the relevant Class of Notes, except that, if the Security Trustee is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default, no such Extraordinary Resolution of the Noteholders of the relevant Class of Notes is required.

A meeting as referred to above may be convened by the Issuer or by Noteholders of any Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Class. The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a meeting an Extraordinary Resolution is adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the amount of the validly cast votes at such meeting relating to an Extraordinary Resolution. If at such meeting the aforesaid quorum is not

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Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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represented, a second meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change, the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented.

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or extending the maturity of a Class of Notes, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of a Class of Notes, shall take effect unless (i) the Issuer has agreed thereto, (ii) the Swap Counterparty has agreed thereto and (iii) it shall have been sanctioned by an Extraordinary Resolution of the holders of all Notes ranking junior to the Most Senior Class of Notes.

An Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Mezzanine Class C Noteholders and/or the Junior Class D Noteholders and/or the Subordinated Class E Noteholders shall only be effective when the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Senior Class A Noteholders and/or, as the case may be, the Mezzanine Class B Noteholders and/or, as the case may be, the Mezzanine Class C Noteholders and/or the Junior Class D Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders or, as the case may be, the Class B Noteholders and/or, as the case may be, the Mezzanine Class C Noteholders or, as the case may be, the Junior Class D Noteholders. The Trust Deed imposes no such limitations on the powers of the Senior Class A Noteholders, the exercise of which will be binding on the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders, and on the Subordinated Class E Noteholders irrespective of the effect on their interests.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class (whether or not they were present at the meeting at which such resolution was passed).

- (b) The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that (i) the Security Trustee has notified Moody's and Fitch and (ii) Moody's and Fitch have confirmed that the then current rating of the Notes will not be adversely affected by any such modification, authorisation or waiver. For the avoidance of doubt, any such confirmation from Moody's and Fitch

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Deed of Amendment of the Terms and

Conditions of the Notes Hermes XIV

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does not address whether such modification, authorisation or waiver is in the best interests of, or prejudicial to, some or all of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

- (c) In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Security Trustee shall have regard to the interests of the Senior Class A Noteholders and the Mezzanine Class B Noteholders and the Mezzanine Class C Noteholders and the Junior Class D Noteholders and the Subordinated Class E Noteholders each as a Class and shall not have regard to the consequences of such exercise for individual Noteholders and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

15. Replacements of Notes and Coupons

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered, in the case of Notes together with all unmatured Coupons appertaining thereto, in the case of Coupons together with the Note and all unmatured Coupons to which they appertain ("*mantel en blad*"), before replacements will be issued.

16. Governing Law

The Notes and Coupons are governed by, and will be construed in accordance with, the laws of the Netherlands. Any legal action or proceedings arising out of or in connection with the Notes and Coupons, shall be irrevocably submitted by the Issuer to the jurisdiction of the District Court in Amsterdam, the Netherlands. This submission is made for the exclusive benefit of the holders of the Notes and the Security Trustee and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.