

**CANARY WHARF FINANCE II PLC**  
**(the "Issuer")**

*(incorporated in England and Wales with limited liability  
under Registered Number 3929593)*

**NOTICE**

**to the holders of the**

**£1,215,000,000 Class A1 6.455 per cent. First Mortgage Debentures due October 2033**  
**(ISIN: XS0112279616)**

**£400,000,000 Class A3 5.952 per cent. First Mortgage Debentures due October 2037**  
**(ISIN: XS0130681512)**

**£222,000,000 Class A7 Floating Rate First Mortgage Debentures due October 2037**  
**(ISIN: XS0295171341)**

**£235,000,000 Class B 6.80 per cent First Mortgage Debentures due 2033**  
**(ISIN:XS0112281190)**

**£104,000,000 Class B3 Floating Rate First Mortgage Debentures due 2037**  
**(ISIN: XS0295172075)**

**£275,000,000 Class C2 Floating Rate First Mortgage Debentures due 2037**  
**(ISIN: XS0295172406)**

**£125,000,000 Class D2 Floating Rate First Mortgage Debentures due 2037**  
**(ISIN: XS0295172745)**

**of the Issuer presently outstanding (together the "Notes")**

On 14 September 2011, the Issuer was approached by Gibraltar Holdings Limited ("**GHL**"), CWCB Properties (DS6) Limited (the "**DS6 Borrower**") and Banque AIG (the "**DS6 GIC Provider**"), who requested certain amendments to the DS6 GIC Agreement and the DS6 Master Definitions Agreement. The requested changes have been made for the reasons detailed below and the Trustee approved those amendments as being not materially prejudicial to the interest of the Noteholders, pursuant to Condition 11(h) of the Notes and Clauses 20(A) and 20(B) of the Original Trust Deed.

1. **Background**

The information in this section is set out in the Chapter entitled "Resources Available to the Borrower and the Issuer" of the Prospectus dated 19 April 2007, but the below circumstances have been described for your reference.

On 22 December 2003, the DS6 Borrower entered into the DS6 Facility Agreement with GHL in order to mitigate the risk of a default or shortfall in rental income in respect of DS6.

On that same date, the DS6 Borrower also entered into the DS6 GIC Agreement pursuant to which the assets of GHL were held with the DS6 GIC Provider (under the guarantee of American International Group, Inc.). The DS6 GIC Provider is incorporated in France and American International Group, Inc. is incorporated in the state of Delaware, U.S.A.

GHL granted first ranking fixed and floating security pursuant to the DS6 Debenture over, amongst other things, the assets of GHL, the DS6 GIC Account, the DS6 GIC Agreement and the DS6 Swap Agreement in favour of the DS6 Borrower (who in turn sub-charged such rights to the Issuer pursuant to the First Supplemental Composite Debenture). GHL also granted second ranking security over its assets in favour of a trustee acting for and on behalf of the noteholders of the credit linked notes issued by GHL.

The current assets of GHL comprise monies held in, or credited from time to time to, the GIC Cash Account. The monies held in, or credited from time to time to, the GIC Cash Account are at all times sufficient to enable GHL to meet its obligations under the DS6 Facility Agreement. Additionally, when American International Group, Inc.'s ("AIG Inc.") short-term ratings were downgraded in 2008, Banque AIG deposited cash collateral into a separate account with the Bank of New York to support the obligations of the DS6 GIC Provider to GHL under the DS6 GIC Agreement and the collateral was secured in favour of GHL. The cash on deposit in the account with the Bank of New York is marked-to-market such that it is always sufficient to meet the obligations of GHL under the DS6 Facility Agreement.

## 2. **Reasons for the Amendments**

The role of DS6 GIC Provider is now being provided by Banque AIG Paris head office because Banque AIG, London branch, has ceased banking activity. Also, pursuant to AIG Inc.'s continued strategy for its financial services division, and consistent with its regulatory disclosures, Banque AIG Paris head office continues to de-risk its business. Accordingly, the DS6 GIC Provider and the French regulators are in negotiations to de-license Banque AIG Paris as soon as possible.

The Issuer was therefore approached by GHL, the DS6 Borrower and the DS6 GIC Provider to amend the DS6 GIC Agreement and the DS6 Master Definitions Agreement to reflect that the DS6 GIC Provider will cease to perform licensed banking activity or related activities. Banque AIG has confirmed that the de-licensing will not affect the ability of Banque AIG to act as the DS6 GIC Provider in accordance with the DS6 GIC Agreement, as amended.

## 3. **Further Detail about the Amendments**

The primary amendment made is to restrict the conversion to Collateral Securities of monies held in, or credited from time to time to, the GIC Cash Account. Before the amendments described in this notice were made, neither there were any Collateral Securities being held in the GIC Securities Account, nor did GHL and the DS6 GIC

Provider expect to make such investments in the future. This was mainly because the definition of "Collateral Securities" was very restrictive. At the time the CLN Transaction Documents were entered into, the intention was for Banque AIG or an affiliate to issue bespoke debt securities to meet these restrictive requirements. However, Banque AIG no longer intends to avail of this provision, so it proposed the amendments described above. Since the option to invest in Collateral Securities was originally included at the behest of and for the benefit of Banque AIG, when Banque AIG proposed the removal of this option, the other parties to the CLN Transaction Documents agreed to make the amendments and remove the requirement to maintain the GIC Securities Account.

From the perspective of the Issuer, the Borrower, the DS6 Borrower, the DS6 GIC Provider and GHIL, the amendments do not impact the structure because the same rate of interest (the GIC Rate, which is LIBOR flat) applies to the Collateral Securities as well as the monies held in, or credited to, the GIC Cash Account. The option to invest in Collateral Securities is of no consequence to the DS6 Facility or to the amount available to be drawn down under that facility because the DS6 Facility is supported by the monies held in, or credited to, the GIC Cash Account. GHIL's obligations under the DS6 Facility Agreement are met through the principal amount of the monies held in, or credited to, the GIC Cash Account and the interest earned on those monies does not have a bearing on the funds available to support GHIL's obligations under the DS6 Facility Agreement. The obligations of Banque AIG as the DS6 GIC Provider are now also supported by the cash collateral on deposit by Banque AIG with the Bank of New York.

This Notice is given by Canary Wharf Finance II plc.

Capitalised terms not otherwise defined in this notice shall have the meanings given to them in the Sixth Restated Master Definitions Agreement entered into between, amongst others, the Issuer and the Trustee on 17 November 2010, or (to the extent not defined in the Sixth Restated Master Definitions Agreement) the seventh restated intercompany loan agreement dated 17 November 2010, between, amongst others, each of Canary Wharf Finance II plc (the "**Issuer**"), CW Lending II Limited (the "**Borrower**"), and Deutsche Trustee Company Limited (the "**Trustee**") (the "**ICLA**").

**20 September 2011**

Any questions in connection with this notice should be addressed to the following:

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