

# ISDA<sup>®</sup>

International Swap Dealers Association, Inc.

## MASTER AGREEMENT

dated as of 23 February 2024 between

Santander UK Plc ("**Party A**")

Abbey Covered Bonds LLP ("**Party B**")

Deutsche Trustee Company Limited (the "**Security Trustee**")

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:-

### 1. Interpretation

- (a) **Definitions.** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

### 2. Obligations

#### (a) General Conditions.

- (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
- (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
- (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable:-

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) **Deduction or Withholding for Tax.**

(i) **Gross-Up.** All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:-

- (1) promptly notify the other party ("Y") of such requirement;
- (2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and
- (4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:-

(A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or

(B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

(ii) **Liability.** If:-

- (1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);
- (2) X does not so deduct or withhold; and
- (3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

(e) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

### 3. **Representations**

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement) that:-

(a) **Basic Representations.**

- (i) **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;
- (ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;
- (iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and
- (v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) **Payer Tax Representation.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) **Payee Tax Representations.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

#### 4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:-

(a) **Furnish Specified Information.** It will deliver to the other party or, in certain cases under subparagraph (iii) below, to such government or taxing authority as the other party reasonably directs:-

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorisations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) **Tax Agreement.** It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) **Payment of Stamp Tax.** Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated,

organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located (“Stamp Tax Jurisdiction”) and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party’s execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

## 5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an “Event of Default”) with respect to such party:-

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation (other than a representation under Section 3(e) or (f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If “Cross Default” is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified

Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:-

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:-

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below or a Tax Event Upon Merger if the event is specified in (iii) below, and, if specified to be applicable, a Credit Event

Upon Merger if the event is specified pursuant to (iv) below or an Additional Termination Event if the event is specified pursuant to (v) below:-

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):-

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) **Tax Event.** Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, the party (which will be the Affected Party) will, or there is a substantial likelihood that it will, on the next succeeding Scheduled Payment Date (1) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));

(iii) **Tax Event Upon Merger.** The party (the “Burdened Party”) on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such action does not constitute an event described in Section 5(a)(viii);

(iv) **Credit Event Upon Merger.** If “Credit Event Upon Merger” is specified in the Schedule as applying to the party, such party (“X”), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(v) **Additional Termination Event.** If any “Additional Termination Event” is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

## 6. Early Termination

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the “Defaulting Party”) has occurred and is then continuing, the other party (the “Non-defaulting Party”) may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, “Automatic Early Termination” is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) **Right to Terminate Following Termination Event.**

(i) **Notice.** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) **Transfer to Avoid Termination Event.** If either an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party’s policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) **Two Affected Parties.** If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iv) **Right to Terminate.** If:-

(1) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality under Section 5(b)(i)(2), a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

either party in the case of an Illegality, the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then



continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(e) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) ***Calculations.***

(i) ***Statement.*** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) ***Payment Date.*** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment) in the Termination Currency, from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) ***Payments on Early Termination.*** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method"- or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) ***Events of Default.*** If the Early Termination Date results from an Event of Default:-

(1) ***First Method and Market Quotation.*** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party.

(2) ***First Method and Loss.*** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) ***Second Method and Market Quotation.*** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the

Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss*. If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) **Termination Events**. If the Early Termination Date results from a Termination Event:-

(1) *One Affected Party*. If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties*. If there are two Affected Parties:-

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (II) the Termination Currency Equivalent of the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) **Adjustment for Bankruptcy**. In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) **Pre-Estimate**. The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

## 7. Transfer

Subject to Section 6(b)(ii), neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:-

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

## 8. Contractual Currency

(a) **Payment in the Contractual Currency.** Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the "Contractual Currency"). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) **Judgments.** To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party. The term "rate of exchange" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) **Separate Indemnities.** To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) **Evidence of Loss.** For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

## 9. Miscellaneous

- (a) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
- (b) **Amendments.** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.
- (c) **Survival of Obligations.** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.
- (d) **Remedies Cumulative.** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- (e) **Counterparts and Confirmations.**
- (i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.
  - (ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.
- (f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
- (g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

## 10. Offices; Multibranch Parties

- (a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to the other party that, notwithstanding the place of booking office or jurisdiction of incorporation or organisation of such party, the obligations of such party are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by such party on each date on which a Transaction is entered into.
- (b) Neither party may change the Office through which it makes and receives payments or deliveries for the purpose of a Transaction without the prior written consent of the other party.
- (c) If a party is specified as a Multibranch Party in the Schedule, such Multibranch Party may make and receive payments or deliveries under any Transaction through any Office listed in the Schedule, and the Office through which it makes and receives payments or deliveries with respect to a Transaction will be specified in the relevant Confirmation.

## 11. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document

to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

## 12. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:-

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

## 13. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:-

- (i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and
- (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) **Service of Process.** Each party irrevocably appoints the Process Agent (if any) specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any

reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

#### 14. Definitions

As used in this Agreement:-

**"Additional Termination Event"** has the meaning specified in Section 5(b).

**"Affected Party"** has the meaning specified in Section 5(b).

**"Affected Transactions"** means (a) with respect to any Termination Event consisting of an Illegality, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

**"Affiliate"** means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

**"Applicable Rate"** means:-

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

**"Burdened Party"** has the meaning specified in Section 5(b).

**"Change in Tax Law"** means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Transaction is entered into.

**"consent"** includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

**"Credit Event Upon Merger"** has the meaning specified in Section 5(b).

**"Credit Support Document"** means any agreement or instrument that is specified as such in this Agreement.

**"Credit Support Provider"** has the meaning specified in the Schedule.

**"Default Rate"** means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

**"Defaulting Party"** has the meaning specified in Section 6(a).

**“Early Termination Date”** means the date determined in accordance with Section 6(a) or 6(b)(iv).

**“Event of Default”** has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

**“Illegality”** has the meaning specified in Section 5(b).

**“Indemnifiable Tax”** means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organised, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

**“law”** includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and “lawful” and “unlawful” will be construed accordingly.

**“Local Business Day”** means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

**“Loss”** means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, the Termination Currency Equivalent of an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party’s legal fees and out-of-pocket expenses referred to under Section 11. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

**“Market Quotation”** means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the “Replacement Transaction”) that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have

been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement

Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

**“Non-default Rate”** means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

**“Non-defaulting Party”** has the meaning specified in Section 6(a).

**“Office”** means a branch or office of a party, which may be such party’s head or home office.

**“Potential Event of Default”** means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

**“Reference Market-makers”** means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

**“Relevant Jurisdiction”** means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organised, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

**“Scheduled Payment Date”** means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

**“Set-off”** means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

**“Settlement Amount”** means, with respect to a party and any Early Termination Date, the sum of:-

(a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party’s Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

**“Specified Entity”** has the meaning specified in the Schedule.

**“Specified Indebtedness”** means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

**“Specified Transaction”** means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or



any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

**“Stamp Tax”** means any stamp, registration, documentation or similar tax.

**“Tax”** means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

**“Tax Event”** has the meaning specified in Section 5(b).

**“Tax Event Upon Merger”** has the meaning specified in Section 5(b).

**“Terminated Transactions”** means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if “Automatic Early Termination” applies, immediately before that Early Termination Date).

**“Termination Currency”** has the meaning specified in the Schedule.

**“Termination Currency Equivalent”** means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the “Other Currency”), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Market Quotation or Loss (as the case may be), is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

**“Termination Event”** means an Illegality, a Tax Event or a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

**“Termination Rate”** means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

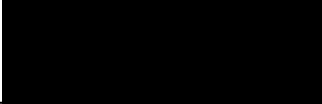
**“Unpaid Amounts”** owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

**SANTANDER UK PLC**

**(as Party A)**

Signature: 

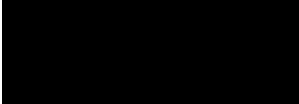
Date: 23 February 2024

Signature: 

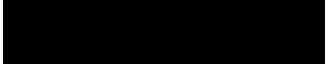
Date: 23 February 2024

**ABBEY COVERED BONDS LLP**

**(as Party B)**

Signature: 

Date: 23 February 2024

Signature: 

Date: 23 February 2024

**DEUTSCHE TRUSTEE COMPANY LIMITED**

Signature:

Date:

Signature:

Date:

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

**SANTANDER UK PLC**  
**(as Party A)**

**ABBEY COVERED BONDS LLP**  
**(as Party B)**

Signature:

Signature:

Date:

Date:

Signature:

Signature:

Date:

Date:

**DEUTSCHE TRUSTEE COMPANY LIMITED**

Signature:



Date: 23 February 2024

Signature:



Date: 23 February 2024

**SCHEDULE  
to the  
Master Agreement**

dated as of 23 February 2024

**between**

- (1) SANTANDER UK PLC ("**Party A**");
- (2) ABBEY COVERED BONDS LLP ("**Party B**"); and
- (3) DEUTSCHE TRUSTEE COMPANY LIMITED (the "**Security Trustee**," which expression shall include its successors and assigns and which has agreed to become a party to this Agreement solely for the purpose of taking the benefit of Part 5(b) and Part 5(p) of the Schedule to this Agreement).

**Part 1. Termination Provisions**

- (a) "Specified Entity" means in relation to Party A for the purpose of:-  
Section 5(a)(v), none  
Section 5(a)(vi), none  
Section 5(a)(vii), none  
Section 5(b)(iv), none  
and in relation to Party B for the purpose of:-  
Section 5(a)(v), none  
Section 5(a)(vi), none  
Section 5(a)(vii), none  
Section 5(b)(iv), none
- (b) "**Specified Transaction**" will have the meaning specified in Section 14.
- (c) The "**Cross Default**" provisions of Section 5(a)(vi) will not apply to Party A and will not apply to Party B.
- (d) The "**Credit Event Upon Merger**" provisions of Section 5(b)(iv) will not apply to Party A and will not apply to Party B.
- (e) The "**Automatic Early Termination**" provision of Section 6(a) will not apply to Party A and will not apply to Party B.
- (f) **Payments on Early Termination.** For the purposes of Section 6(e) of this Agreement:

- (i) Market Quotation will apply.
- (ii) The Second Method will apply.
- (g) “**Termination Currency**” means CHF.
- (h) **Additional Termination Event** will apply. In addition to the Additional Termination Events set forth in Part 5(f)(vii) and Part 2(c) of this Schedule, each of the following will constitute Additional Termination Events (in whole or, as the case may be, in part):

(i) **Redemption and Prepayment in whole of the Covered Bonds.**

The Covered Bonds are redeemed in whole pursuant to Conditions 6.2 (*Redemption for taxation reasons*), 6.4 (*Redemption at the option of the Issuer*) or 6.6 (*Redemption due to illegality or invalidity*) of the Terms and Conditions of the Covered Bonds and Party A was notified of such redemption no later than three days prior to the relevant redemption date, in which case:

- (A) Party B shall be the sole Affected Party;
- (B) the Transaction or Transactions related to the Covered Bonds shall be Affected Transactions; and
- (C) the Early Termination Date in respect of the Affected Transactions shall be the due date for redemption of the Covered Bonds.

Any amount payable pursuant to Section 6(e) of this Agreement will be payable on the Early Termination Date.

- (ii) **Amendment to the Priorities of Payments.** If any of (1) the Pre-Acceleration Revenue Priority of Payments, (2) the Pre-Acceleration Principal Priority of Payments, (3) the Guarantee Priority of Payments or (4) the Post-Enforcement Priority of Payments (each as set out in the LLP Deed or Deed of Charge, as applicable) is amended (in any case, other than in accordance with the Deed of Charge), such that Party B’s obligations to Party A under this Agreement are further contractually subordinated to Party B’s obligations to any other Secured Creditor (other than as a result of subordination which occurs as a result of an issuance of a new Series of Covered Bonds), in which case Party B shall be the sole Affected Party and all Transactions shall be Affected Transactions.

(iii) **Purchase and Cancellation of the Covered Bonds.**

The Covered Bonds are purchased and surrendered in whole or in part for cancellation pursuant to Condition 6.10 (*Purchases*) of the Terms and Conditions of the Covered Bonds and Party A was notified of such purchase and surrender no later than three days prior to the relevant purchase date, in which case:

- (A) Party B shall be the sole Affected Party;
- (B) the Transaction or Transactions related to the Covered Bonds shall be Affected Transactions; and
- (C) the Early Termination Date in respect of the Affected Transactions shall be the due date for redemption of the Covered Bonds,

provided that, in the event of a purchase and cancellation of the Covered Bonds in part, the Transaction or Transactions related to the Covered Bonds will partially terminate in respect of a Notional Amount equal to a pro rata proportion of the relevant amount of Covered Bonds purchased and surrendered for cancellation, and the provisions of Section 6 shall apply *mutatis mutandis* in connection with such partial termination. For the avoidance of doubt, the remaining part of such Transaction or Transactions will not be terminated as a result of such partial termination, and an Early Termination Date will only occur in respect of the terminated part of the Transaction or Transactions. Any amount payable pursuant to Section 6(e) of this Agreement will be payable on the Early Termination Date.

(iv) **Redemption and Prepayment in part of the Covered Bonds at the option of the Issuer.**

The Covered Bonds are redeemed in part pursuant to Condition 6.4 (*Redemption at the option of the Issuer*) of the Terms and Conditions of the Covered Bonds and Party A was notified of such redemption no later than three days prior to the relevant redemption date, in which case:

- (A) Party B shall be the sole Affected Party;
- (B) the Transaction or Transactions related to the Covered Bonds shall be Affected Transactions; and
- (C) the Early Termination Date in respect of the Affected Transactions shall be the due date for redemption of the Covered Bonds,

provided that, in the event of a purchase and cancellation of the Covered Bonds in part, the Transaction or Transactions related to the Covered Bonds will only partially terminate in respect of a Notional Amount equal to a pro rata proportion of the relevant amount of Covered Bonds so redeemed, and the provisions of Section 6 shall apply *mutatis mutandis* in connection with such partial termination. For the avoidance of doubt, the remaining part of such Transaction or Transactions will not be terminated as a result of such partial termination, and an Early Termination Date will only occur in respect of the terminated part of the Transaction or Transactions. Any amount payable pursuant to Section 6(e) of this Agreement will be payable on the Early Termination Date.

## Part 2. Tax Representations

- (a) **Payer Representations.** For the purpose of Section 3(e) of this Agreement, Party A and Party B will each make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

- (b) **Payee Representations.** For the purposes of Section 3(f) of the Agreement, Party A makes the representation specified below (the “**Additional Tax Representation**”):

Party A represents, warrants and undertakes to Party B (which representation, warranty and undertaking will be deemed to be repeated at all times until the termination of this Agreement) that:

It is, and will be throughout the course of each Transaction, resident in the United Kingdom for United Kingdom tax purposes.

For the purposes of Section 3(f) of the Agreement, Party B makes the following representation:

None.

- (c) **Additional Termination Event.** The Additional Tax Representation proves to have been incorrect or misleading in any material respect with respect to one or more Transactions (each an “**Affected Transaction**” for the purposes of this Additional Termination Event) when made or repeated or deemed to have been made or repeated. The Affected Party shall be Party A only.

**Part 3. Agreement to Deliver Documents**

For the purpose of Sections 4(a)(i) and (ii) of this Agreement, each party agrees to deliver the following documents, as applicable:-

(a) Tax forms, documents or certificates to be delivered are:-

<b>Party required to deliver document</b>	<b>Form/Document/Certificate which to be delivered</b>	<b>Date by</b>
	None	

(b) Other documents to be delivered are:

<b>Party required to deliver document</b>	<b>Form / Document / Certificate</b>	<b>Date by which to be delivered</b>	<b>Covered by Section 3(d) Representation</b>
Party A and Party B	Appropriate evidence of its signatory's authority	On signing of this Agreement	Yes



**Part 4. Miscellaneous**

(a) **Addresses for Notices.** For the purpose of Section 12(a) of this Agreement:-

Addresses for notices or communications to Party A:

Address: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Attention: [REDACTED]

Email: [REDACTED]

Address for notices or communications to Party B:

Address: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Attention: [REDACTED]

Email: [REDACTED]

With a copy to the Security Trustee:

Address: [REDACTED]  
[REDACTED]  
[REDACTED]

Attention: [REDACTED]

(b) **Process Agent.** For the purpose of Section 13(c) of this Agreement:-

Party A appoints as its Process Agent: None.

Party B appoints as its Process Agent: None.

(c) **Offices.** The provisions of Section 10(a) will apply to this Agreement.

(d) **Multibranch Party.** For the purpose of Section 10(c) of this Agreement:-

Party A is not a Multibranch Party.

Party B is not a Multibranch Party.

- (e) **Calculation Agent.** The Calculation Agent is Party A. Any failure by Party A to perform its role as Calculation Agent shall entitle Party B, by notice to the other parties hereto, to nominate itself or a third party reasonably selected by it as Calculation Agent and, upon such nomination, Party B or such third party shall become the Calculation Agent.
- (f) **Credit Support Document.** Details of any Credit Support Document:
- In respect of Party A, any Eligible Guarantee or any other guarantee delivered pursuant to Part 5(f) (other than the Credit Support Annex hereto) by Party A.
- In respect of Party B, none.
- (g) **Credit Support Provider.** Credit Support Provider means in relation to Party A, any guarantor under an Eligible Guarantee or any other guarantee delivered pursuant to the Part 5(f) (other than the Credit Support Annex hereto) by Party A.
- Credit Support Provider means in relation to Party B, none.
- (h) **Governing Law.** This Agreement, and any non-contractual obligations arising out of or in connection with it, will be governed by and construed in accordance with English law.
- (i) **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will apply to Transactions entered into under this Agreement unless otherwise specified in a Confirmation.
- (j) **"Affiliate"** will have the meaning specified in Section 14 of this Agreement.

## Part 5. Other Provisions

(a) No Set-Off

(i) All payments under this Agreement shall be made without set-off or counterclaim, except as expressly provided for in Section 2(c) or Section 6.

(ii) Section 6(e) shall be amended by the deletion of the following sentence:

“The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.”

(b) *Security Interest*

Notwithstanding Section 7, Party A hereby agrees and consents to the assignment by way of security by Party B of its right, title and interest under this Agreement (without prejudice to, and after giving effect to, any contractual netting provision contained in this Agreement) to the Security Trustee (or any successor thereto) pursuant to and in accordance with the Deed of Charge and Deed of Accession and acknowledges notice of such assignment. Each of the parties hereby confirms and agrees that the Security Trustee shall not be liable for any of the obligations of Party B hereunder.

(c) *Disapplication of Certain Events of Default*

Sections 5(a)(ii), 5(a)(iii), 5(a)(iv), 5(a)(v), 5(a)(vii)(2),(5),(6),(7) and (9), and 5(a)(viii) will not apply in respect of Party B.

Section 5(a)(vii)(3) will not apply in respect of Party B to the extent it refers to any assignment, arrangement or composition that is effected by or pursuant to the Transaction Documents.

Section 5(a)(vii)(4) will not apply in respect of Party B to the extent that it refers to proceedings or petitions instituted or presented by Party A or any of its Affiliates.

Section 5(a)(vii)(8) will not apply to Party B to the extent that it applies to Section 5(a)(vii)(2),(3),(4),(5),(6),(7) and (9) (except to the extent that such provisions are not disapplied with respect to Party B).

(d) *Disapplication of Certain Termination Events*

The “Tax Event” and “Tax Event upon Merger” provisions of Section 5(b)(ii) and 5(b)(iii) will not apply to Party A or to Party B.

(e) *Additional Event of Default*

The following shall constitute an additional Event of Default with respect to Party B:

“**LLP Acceleration Notice.** The Bond Trustee serves an LLP Acceleration Notice on Party B (which shall be the Defaulting Party).”

(f) **Ratings Events**

**S&P**

(i) This Agreement sets out four options for establishing certain of the definitions set out in Part 5(f)(i)(2) below and in the Credit Support Annex hereto of Initial S&P Rating Event, Subsequent S&P Rating Event and Credit Support Amount (in each case, being “**S&P Strong**”, “**S&P Adequate**”, “**S&P Moderate**” and “**S&P Weak**” respectively and each a “S&P Framework”). On the date of this Agreement, the provisions relating to S&P Adequate shall apply to this Agreement. After the date of this Agreement, the S&P Framework may be amended in accordance with Part 5(f)(i)(1) (*Replacement Framework*) below.

(1) Replacement Framework

Party A may, by notice in substantially the form set out in the Exhibit to this Schedule (a “**S&P Classification Switch Notice**”), inform Party B, the Security Trustee and S&P that it wishes to elect (A) that S&P Strong, S&P Adequate, S&P Moderate or S&P Weak, as applicable (the “**New S&P Framework**”), shall apply, and (B) any previous election in respect of an S&P Framework shall cease to apply.

With effect from the Local Business Day following S&P’s confirmation that the New S&P Framework will not adversely impact the rating of the Covered Bonds (such date, the “**Substitution Effective Date**”), the definitions of “Initial S&P Required Rating” and “Subsequent S&P Required Rating” shall be deemed to have been amended to the equivalent definitions as set out below corresponding to the relevant New S&P Framework elected.

The right of Party A to make an election pursuant to this Part 5(f)(i)(1) (*Replacement Framework*) is subject to the following condition being satisfied on the Substitution Effective Date:

No Event of Default or Termination Event has occurred with respect to which Party A is the Defaulting Party or the sole Affected Party, as the case may be.

(2) Definitions

“**Collateral Remedy Period**” means the period that commences on (and excludes) the date on which an Initial S&P Rating Event or Subsequent S&P Rating Event (as applicable) occurs and ends on (and includes) the tenth Local Business Day following the date on which such event occurs.

An entity will have the “**Initial S&P Required Rating**” in respect of the applicable S&P Framework, if either (1) the issuer credit rating or (2) the resolution counterparty rating assigned by S&P to the entity is at least as high as the S&P Minimum Counterparty Rating corresponding to the then current rating of the Covered Bonds (as it would have been, but for the fact that Party A does not have the S&P Minimum Counterparty Rating) and the applicable S&P Framework as specified in the table below under the column “Initial S&P Rating Event”.

“**Non Collateral Remedy Period**” means the period that commences on (and excludes) the date on which a Subsequent S&P Rating Event occurs and ends on (and includes) the ninetieth calendar day following the date on which such event occurs.

“**S&P Eligible Replacement**” means, for the purposes of the below and Part 5(q) (*Transfers*), either (A) an entity with at least the Subsequent S&P Required Rating or (B) an entity whose obligations under this Agreement are guaranteed by an entity with at least the Subsequent S&P Required Rating pursuant to a guarantee which satisfies the S&P guarantee criteria as set out in *General Criteria: Guarantee Criteria*, published by S&P on 21 October 2016, provided that in all cases such S&P Eligible Replacement complies with the provisions of Part 5(f)(i)(3) (*Initial S&P Rating Event*) below (if applicable) with respect to its own obligations under the Agreement.

“**S&P Minimum Counterparty Rating**” means, in respect of S&P Strong, S&P Adequate, S&P Moderate and S&P Weak, the rating as specified in the table below and corresponding to the rating of the Covered Bonds (as it would have been, but for the fact that Party A does not have the S&P Minimum Counterparty Rating) under the columns “Initial S&P Rating Event” and “Subsequent S&P Rating Event”, as applicable.

An entity will have the “**Subsequent S&P Required Rating**” in respect of the applicable S&P Framework, if either (1) the issuer credit rating or (2) the resolution counterparty rating assigned by S&P to the entity is at least as high as the S&P Minimum Counterparty Rating corresponding to the then current rating of the Covered Bonds (as it would have been, but for the fact that Party A does not have the S&P Minimum Counterparty Rating) and the applicable S&P Framework, as specified in the table below under the column “Subsequent S&P Rating Event”.

Rating of the Covered Bonds	“S&P Strong”		“S&P Adequate”		“S&P Moderate”		“S&P Weak”	
	Initial S&P Rating Event	Subsequent S&P Rating Event	Initial S&P Rating Event	Subsequent S&P Rating Event	Initial S&P Rating Event	Subsequent S&P Rating Event	Initial S&P Rating Event	Subsequent S&P Rating Event
AAA	A-	BBB+	A-	A-	A	A	NA	A+
AA+	A-	BBB+	A-	A-	A-	A-	NA	A+
AA	A-	BBB	BBB+	BBB+	A-	A-	NA	A
AA-	A-	BBB	BBB+	BBB+	BBB+	BBB+	NA	A-
A+	A-	BBB-	BBB	BBB	BBB+	BBB+	NA	A-
A	A-	BBB-	BBB	BBB	BBB	BBB	NA	BBB+
A-	A-	BBB-	BBB	BBB-	BBB	BBB	NA	BBB+
BBB+	A-	BBB-	BBB	BBB-	BBB	BBB-	NA	BBB
BBB	A-	BBB-	BBB	BBB-	BBB	BBB-	NA	BBB
BBB-	A-	BBB-	BBB	BBB-	BBB	BBB-	NA	BBB-

Rating of the Covered Bonds	“S&P Strong”		“S&P Adequate”		“S&P Moderate”		“S&P Weak”	
	Initial S&P Rating Event	Subsequent S&P Rating Event	Initial S&P Rating Event	Subsequent S&P Rating Event	Initial S&P Rating Event	Subsequent S&P Rating Event	Initial S&P Rating Event	Subsequent S&P Rating Event
BB+ and below	A-	At least as high as 3 notches below the Covered Bonds rating	BBB	At least as high as 2 notches below the Covered Bonds rating	BBB	At least as high as 1 notch below the Covered Bonds rating	NA	At least as high as the Covered Bonds rating

(3) Initial S&P Rating Event

In the event that neither Party A nor any Credit Support Provider from time to time in respect of Party A has the Initial S&P Required Rating (an “**Initial S&P Rating Event**”), then:

- (A) Party A shall, within the Collateral Remedy Period, post collateral in accordance with the provisions of the Credit Support Annex (unless the applicable S&P Framework is S&P Weak, in which case this subparagraph (A) shall not apply); and
- (B) Party A may, at any time following the occurrence of such Initial S&P Rating Event, at its own discretion and at its own cost:
  - (I) subject to Part 5(q) (*Transfers*), transfer all of its rights and obligations with respect to this Agreement to an S&P Eligible Replacement; or
  - (II) procure, subject to confirmation by S&P, another person that has at least the Subsequent S&P Required Rating to become a co-obligor or guarantor, with any guarantee complying with S&P’s relevant guarantee criteria, in respect of the obligations of Party A; or
  - (III) take such other action (which may, for the avoidance of doubt, include taking no action) as notified to S&P as will result in (x) the rating of the Covered Bonds being maintained at, or restored to, the level it would have been but for such Initial S&P Rating Event and regardless of any other capacity in which Party A may act in respect of the Covered Bonds; and (y) the Covered Bonds not being placed on credit watch by S&P as a result of the Initial S&P Rating Event.

(4) Subsequent S&P Rating Event

In the event that neither Party A nor any Credit Support Provider from time to time of Party A has the Subsequent S&P Required Rating (a “**Subsequent S&P Rating Event**”), then:

- (A) Party A shall, within the Collateral Remedy Period, post collateral in accordance with the provisions of the Credit Support Annex (unless the applicable S&P Framework is S&P Weak, in which case this subparagraph (A) shall not apply); and
- (B) Party A shall use commercially reasonable efforts to, as soon as reasonably practicable, at its own cost:
  - (I) subject to Part 5(q) (*Transfers*) below, transfer all of its rights and obligations with respect of this Agreement to an S&P Eligible Replacement;
  - (II) procure, subject to confirmation from S&P, an entity that has at least the Subsequent S&P Required Rating to become a co-obligor or guarantor, with any guarantee complying with S&P's relevant guarantee criteria, in respect of the obligations of Party A; or
  - (III) take such other action (which may, for the avoidance of doubt, include taking no action) as notified to S&P as will result in (a) the rating of the Covered Bonds being maintained at, or restored to, the level it would have been but for such Subsequent S&P Rating Event and regardless of any other capacity in which Party A may act in respect of the Covered Bonds, and (b) the Covered Bonds not being placed on credit watch by S&P as a result of the Subsequent S&P Rating Event.

The actions set out in subparagraphs Part 5(f)(i)(4)(B)(I), (II) and (III) above shall be "Remedial Actions". Without prejudice to any replacement third party's or Party A's obligations to post collateral or take other action if it (or its Credit Support Provider) does not have the Initial S&P Required Rating, if any of subparagraphs Part 5(f)(i)(4)(B)(I), (II) and (III) above are satisfied at any time, Party A will not be required to transfer any collateral in respect of such Subsequent S&P Rating Event pursuant to subparagraph Part 5(f)(i)(4)(A) above following the satisfaction of the provisions in subparagraphs Part 5(f)(i)(4)(B)(I), (II) or (III) above and the Credit Support Balance shall be transferred to Party A subject to, and in accordance with, the terms of the Credit Support Annex.

## Moody's

### (ii) **Definitions**

The "**First Rating Trigger Requirements**" shall apply so long as none of the Relevant Entities has the First Trigger Required Ratings.

An entity shall have the "**First Trigger Required Ratings**" if (A) it has a long-term counterparty risk assessment ("**CR Assessment**") of "A3(cr)" or above by Moody's or (B) its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "A3" or above by Moody's.

"**Relevant Entities**" means Party A and any guarantor under an Eligible Guarantee in respect of all of Party A's present and future obligations under this Agreement and "Relevant Entity" means any one of them.

The “**Second Rating Trigger Requirements**” shall apply so long as none of the Relevant Entities has the Second Trigger Required Ratings.

An entity shall have the “**Second Trigger Required Ratings**” if (A) it has a CR Assessment of “Baa1(cr)” or above by Moody’s or (B) its long-term, unsecured and unsubordinated debt or counterparty obligations are rated “Baa1” or above by Moody’s.

(iii) **Moody’s Rating Event**

So long as the Second Rating Trigger Requirements apply, Party A will at its own cost use commercially reasonable efforts to, as soon as reasonably practicable, procure either (A) an Eligible Guarantee in respect of all of Party A’s present and future obligations under this Agreement to be provided by a guarantor with the First Trigger Required Ratings and/or the Second Trigger Required Ratings or (B) a transfer to an Eligible Replacement in accordance with Part 5(q) (*Transfers*) below.

**Fitch**

(iv) **Initial Fitch Rating Event**

In the event that neither Party A (or its successor or permitted transferee) nor any Credit Support Provider (that is a Fitch Eligible Guarantor) from time to time in respect of Party A have an Unsupported Minimum Counterparty Rating (such event being an “**Initial Fitch Rating Event**”) then:

- (A) Party A will, on a reasonable effort basis, within 14 calendar days of the occurrence of such Initial Fitch Rating Event (or, if the Initial Fitch Rating Event has continued since the date this Agreement was executed, on such date), at its own cost, provide collateral in accordance with the Credit Support Annex; or
- (B) Party A may, on a reasonable efforts basis and at its own cost, within 30 calendar days of the occurrence of such Initial Fitch Rating Event:
  - (1) subject to Part 5(q) below, transfer all of its rights and obligations with respect to this Agreement to a replacement third party that is a Fitch Eligible Counterparty or Fitch otherwise confirms that such transfer would maintain the ratings of the Covered Bonds by Fitch at, or restore the rating of the Covered Bonds by Fitch to, the level at which it was immediately prior to such Initial Fitch Rating Event, provided that, in all cases, such action does not result in any requirement for deduction or withholding for or on account of any Tax;
  - (2) obtain a co-obligation or guarantee of its rights and obligations with respect to this Agreement from a Fitch Eligible Guarantor whose Long-Term Fitch Rating or Short-Term IDR is rated not less than the corresponding Unsupported Minimum Counterparty Rating (or Fitch otherwise confirms that such co-obligation or guarantee would maintain the rating of the Covered Bonds by Fitch at, or restore the rating of the Covered Bonds by Fitch to, the level at which it was immediately prior to such Initial Fitch Rating Event), provided that, in all cases, such action does not result in any requirement for deduction or withholding for or on account of any Tax; or



- (3) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the rating of the Covered Bonds by Fitch following the taking of such action (or inaction) being maintained at, or restored to, the level at which it was immediately prior to such Initial Fitch Rating Event,

provided that, in all cases, such action does not result in any requirement for deduction or withholding for or on account of any Tax.

If any of subparagraphs (f)(iv)(B)(1), (2) or (3) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party A pursuant to subparagraph (f)(iv)(A) will, unless otherwise required by virtue of the operation of subparagraph (f)(iv)(B)(3) above, be transferred to Party A subject to, and in accordance with, the terms of the Credit Support Annex, and, for so long as no other Initial Fitch Rating Event occurs, Party A will not be required to transfer any additional collateral pursuant to this Part 5(f)(iv).

(v) **Subsequent Fitch Rating Event**

If the Long-Term Fitch Rating and the Short-Term IDR of Party A (or its successor or permitted transferee) or any Credit Support Provider (that is a Fitch Eligible Guarantor) from time to time in respect of Party A cease to be rated at least as high as the corresponding Supported Minimum Counterparty Rating (such event being a “**Subsequent Fitch Rating Event**”):

- (A) Party A will, on a reasonable efforts basis, within 30 calendar days of the occurrence of such Subsequent Fitch Rating Event, at its own cost, attempt to take any of the measures set out in subparagraph (f)(iv)(B)(1), (2) or (3) above; and
- (B) pending taking any of the measures set out in subparagraph (f)(iv)(B)(1), (2) or (3), Party A will, as its own cost, provide collateral under the Credit Support Annex within 10 calendar days of such Subsequent Fitch Rating Event.

If any of the actions set out in subparagraph (f)(iv)(B)(1), (2) or (3) above is taken at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party A pursuant to subparagraph (f)(v)(B) will, unless otherwise required by virtue of the operation of subparagraph (f)(iv)(B)(3) above, be transferred to Party A subject to, and in accordance with, the terms of the Credit Support Annex, and, for so long as no other Subsequent Fitch Rating Event occurs, Party A will not be required to transfer any additional collateral pursuant to this Part 5(f)(v).

(vi) For the purposes of this Agreement:

“**Fitch Eligible Counterparty**” means an entity (A) whose Long-Term Fitch Rating or Short-Term issuer default rating (“**IDR**”) is rated not less than the corresponding Unsupported Minimum Counterparty Rating or (B) whose obligations under this Agreement are guaranteed by an entity that is a Fitch Eligible Guarantor whose Long-Term Fitch Rating or Short-Term IDR is rated not less than the corresponding Unsupported Minimum Counterparty Rating.

“**Fitch Eligible Guarantor**” means an entity that is incorporated or domiciled (or their equivalent) in a jurisdiction where the applicable subordination provision would be enforceable against such entity.

“**Long-Term Fitch Rating**” means, in respect of an entity, the Derivative Counterparty Rating (“**DCR**”) assigned to such entity by Fitch or, if a DCR has not been assigned to such entity by Fitch, the long-term IDR assigned to such entity by Fitch.

“**Unsupported Minimum Counterparty Rating**” and “**Supported Minimum Counterparty Rating**” shall mean the Long-Term Fitch Rating or the Fitch Short-Term IDR from Fitch corresponding to the then-current rating of the Covered Bonds as set out in the following table:

<b>Current rating of the Covered Bonds</b>	<b>Unsupported Minimum Counterparty Rating</b>	<b>Supported Minimum Counterparty Rating</b>	<b>Supported Minimum Counterparty Rating (adjusted)</b>
AAA	A or F1	BBB- or F3	BBB+ or F2
AA+, AA, AA-	A- or F1	BBB- or F3	BBB+ or F2
A+, A, A-	BBB or F2	BB+	BBB or F2
BBB+, BBB, BBB-	BBB- or F3	BB-	BBB- or F3
BB+, BB, BB-	At least as high as the Covered Bonds rating	B+	BB-
B+ or below or the Covered Bonds are not rated by Fitch	At least as high as the Covered Bonds rating	B-	B-

If an entity is not incorporated in the same jurisdiction as Party B and, following a request from Fitch, has not provided to Fitch a legal opinion, in a form acceptable to Fitch, confirming the enforceability of the subordination provisions against it in its jurisdiction, references in this Agreement to “Supported Minimum Counterparty Rating” shall be deemed to refer to “Supported Minimum Counterparty Rating (adjusted)” in respect of such entity.

For the purposes of the above table, if the Covered Bonds are downgraded by Fitch as a result of Party A’s failure to perform any obligation under this Agreement, then the then current rating of the Covered Bonds will be deemed to be the rating the Covered Bonds would have had but for such failure.

(vii) **Implications of Rating Events**

Each of the following provisions (A) to (E) (inclusive) is without prejudice to the consequences of Party A (i) breaching any provision of this Agreement other than the subparagraph of Part 5(f) to which each such provision refers or (ii) failing to post collateral under the Credit Support Annex or to take any other action, in each case, in accordance with the requirements of any rating agency other than the rating agency to which each such provision refers:

- (A) If Party A does not provide collateral as required under subparagraph (f)(i)(3)(A) above, such failure shall not be or give rise to an Event of Default but shall

constitute an Additional Termination Event with respect to Party A which shall be deemed to have occurred on the next Local Business Day following the last day of the Collateral Remedy Period (as applicable) unless at such time Party A has taken one of the measures described in subparagraph (f)(i)(3)(B), with Party A as the sole Affected Party and all Transactions as Affected Transactions.

- (B) If Party A does not take the measures described in subparagraph 5(f)(i)(4)(B) above following a Subsequent S&P Rating Event, such failure will not be or give rise to an Event of Default but will constitute an Additional Termination Event with respect to Party A which will be deemed to have occurred on the next Local Business Day following the last day of the Non-Collateral Remedy Period with Party A as the sole Affected Party and all Transactions as Affected Transactions.
- (C) It shall constitute an Additional Termination Event with Party A as the sole Affected Party if (A) the Second Rating Trigger Requirements apply and 30 or more Local Business Days have elapsed since the last time the Second Rating Trigger Requirements did not apply and (B) at least one Eligible Replacement has made a Firm Offer that would, assuming the occurrence of an Early Termination Date, qualify as a Market Quotation (on the basis that paragraphs (ii) and (iii) of Part 5(n) (*Modifications to close-out provisions*) below apply) and which remains capable of becoming legally binding upon acceptance.
- (D) If an Initial Fitch Rating Event occurs and is continuing and Party A fails to take at least one of the relevant measures described in subparagraph (iv) of this Part 5(f) above, irrespective of whether it has applied reasonable efforts to do so, such failure shall not be or give rise to an Event of Default but shall constitute an Additional Termination Event with respect to Party A which shall be deemed to have occurred on the next Local Business Day after the thirtieth calendar day following such Initial Fitch Rating Event with Party A as the sole Affected Party and all Transactions as Affected Transactions.
- (E) If, at the time a Subsequent Fitch Rating Event occurs and is continuing, Party A has provided collateral under the Credit Support Annex pursuant to subparagraph (iv)(A) of this Part 5(f) above and fails to continue to post collateral pending compliance with subparagraph (v)(A) of this Part 5(f) above, such failure will not be or give rise to an Event of Default but will constitute an Additional Termination Event with respect to Party A and will be deemed to have occurred on the later of the next Local Business Day after the tenth calendar day following such Subsequent Fitch Rating Event and the next Local Business Day after the thirtieth calendar day following any prior Initial Fitch Rating Event with Party A as the sole Affected Party and all Transactions as Affected Transactions.

Further, an Additional Termination Event with respect to Party A shall be deemed to have occurred if, even if Party A continues to post collateral as required by subparagraph (v)(B) of this Part 5(f) above, and notwithstanding Section 5(a)(ii), Party A does not take the measures described in subparagraph (v)(A) of this Part 5(f) above (and regardless of whether reasonable endeavours have been used to implement any of those measures). Such Additional Termination Event will be deemed to have occurred on the next Local Business Day after the thirtieth calendar day following the Subsequent Fitch Rating Event

with Party A as the sole Affected Party and all Transactions as Affected Transactions.

(g) **Additional Representations**

(i) Section 3 is amended by the addition at the end thereof of the following additional representation:

“(g) **No Agency.** It is entering into this Agreement and each Transaction as principal and not as agent of any person.”

(ii) The following additional representations shall be given by Party A only:

“(h) **Pari Passu.** Its obligations under this Agreement rank pari passu with all of its other unsecured, unsubordinated obligations except those obligations preferred by operation of law.

(i) **Authorised Person.** Party A represents to Party B (which representation will be deemed to be repeated by Party A on each date on which a Transaction is entered into) that, to the extent that entering into this Agreement, including any Transaction, constitutes regulated activity in the United Kingdom, Party A is an authorised person permitted to carry on that regulated activity or an exempt person in respect of that regulated activity under the FSMA.”

(h) **Recording of Conversations**

Each party to this Agreement consents to the recording of the telephone conversations of its personnel or any personnel employed by any Affiliate or third party acting on its behalf in connection with this Agreement or any potential Transaction and (i) agrees to obtain any necessary consent of and give notice of such recording to such personnel and (ii) agrees that recordings may be submitted in evidence in any Proceedings relating to this Agreement.

(i) **Relationship between the Parties**

The Agreement is amended by the insertion after Section 14 of an additional Section 15, reading in its entirety as follows:

“15. **Relationship between the Parties**

Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

(a) **Non Reliance.** It is acting for its own account, and it has made its own decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. It has not received from the other party any assurance or guarantee as to the expected results of that Transaction.

- (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the financial and other risks of that Transaction.
- (c) **Status of Parties.** The other party is not acting as a fiduciary or an adviser for it in respect of that Transaction.”

(j) **Tax**

The Agreement is amended by deleting Section 2(d) in its entirety and replacing it with the following:

“(d) **Deduction or Withholding for Tax**

(i) **Requirement to Withhold**

All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax (including a deduction or withholding by any of the members of Party B in respect of a payment made by Party B) unless such deduction or withholding is required (including, for the avoidance of doubt, if such deduction or withholding is required in order for the payer to obtain relief from Tax) by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold (or in the case of Party B, any member of Party B is required to deduct or withhold), then that party (X):

- (1) will promptly notify the other party (Y) of such requirement;
- (2) will pay or procure payment to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any Gross Up Amount (as defined below) paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) will promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and
- (4) if X is Party A, Party A will promptly pay in addition to the payment to which Party B is otherwise entitled under this Agreement, such additional amount (the “Gross Up Amount”) as is necessary to ensure that the net amount actually received by Party B will equal the full amount which Party B would have received had no such deduction or withholding been required.

(ii) **Liability**

If:

- (1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding for or on account of any Tax in respect of payments under this Agreement; and
- (2) X does not so deduct or withhold; and
- (3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent that Y has satisfied or then satisfies the liability resulting from such Tax, (A) where X is Party B (or any member of Party B), Party A will promptly pay to Party B (or the relevant member of Party B) the amount of such liability (the “**Liability Amount**”) (including any related liability for interest and together with an amount equal to the Tax payable by Party B (or the relevant member of Party B) on receipt of such amount but including any related liability for penalties only if Party A has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d) and Party B (or the relevant member of Party B) will promptly pay to the relevant government revenue authority the amount of such liability (including any related liability for interest and penalties) and (B) where X is Party A and Party A would have been required to pay a Gross Up Amount to Party B, Party A will promptly pay to the relevant government revenue authority the amount of such liability (including any related liability for interest and penalties).

(iii) ***Tax Credit etc.***

Where Party A pays an amount in accordance with Section 2(d)(i)(4) or 2(d)(ii) above, Party B undertakes as follows:

- (1) to the extent that Party B (or any member of Party B) obtains and utilises any Tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction relating to, in the case of a payment made in accordance with Section 2(d)(i)(4), any deduction or withholding giving rise to such payment, or in the case of a payment made in accordance with Section 2(d)(ii), the assessment that has given rise to such a payment (in each case a “**Tax Credit**”), Party B shall pay to Party A, as soon as practical after receipt of the same, so much of the cash benefit (as calculated below) relating thereto which Party B (or any member of Party B) has received as will leave Party B (or any member of Party B) in substantially the same (but in any event no worse) position as Party B (or any member of Party B) would have been in if no such deduction or withholding had been required;
- (2) the “cash benefit” shall, in the case of any Tax Credit, be the additional amount of Tax which would already have become due and payable by Party B (or any member of Party B) in the relevant jurisdiction referred to in (1) above but for the obtaining and utilisation by it of the said Tax Credit and, in the case of a repayment, shall be the amount of the repayment together with any related interest obtained by Party B (or any member of Party B) from the relevant tax authority; and
- (3) Without prejudice to this paragraph 5(j), nothing contained in this Schedule shall interfere with the right of Party B (or any of its members) or Party A to arrange its tax and other affairs in whatever manner it thinks fit and, in particular, neither

Party B (nor any of its members) nor Party A shall be under any obligation to claim relief from Tax on its corporate profits, or from any similar Tax liability, in respect of the Tax, or to claim relief in priority to any other claims, reliefs, credits or deductions available to it. Neither Party B (or any of its members) nor Party A shall be obliged to disclose any confidential information relating to the organisation of its affairs.

(k) ***Condition Precedent***

Section 2(a)(iii) shall be amended by the deletion of the words “a Potential Event of Default” in respect of obligations of Party A only.

(l) ***Representations***

Section 3(b) shall be amended by the deletion of the words “or Potential Event of Default” in respect of the representation given by Party B only.

(m) ***Additional Definitions***

Words and expressions defined in the Amended and Restated Master Definitions and Construction Agreement made between, inter alios, the parties to this Agreement on 8 September 2009 (as the same may be amended, varied or supplemented from time to time) (the “**Master Definitions and Construction Agreement**”) shall, except so far as the context otherwise requires, have the same meaning in this Agreement. In the event of any inconsistency between the definitions in this Agreement and in the Master Definitions Schedule the definitions in this Agreement shall prevail. The rules of interpretation set out in the Master Definitions Schedule shall apply to this Agreement.

“**Eligible Guarantee**” means an unconditional and irrevocable guarantee that is provided by a guarantor as principal debtor rather than surety and is directly enforceable by Party B, where (I) such guarantee provides that if a guaranteed obligation cannot be performed without an action being taken by Party A, the guarantor shall use its best endeavours to procure that Party A takes such action (II) (A) a reputable international law firm has given a legal opinion confirming that none of the guarantor’s payments to Party B under such guarantee will be subject to deduction or withholding for tax and such opinion has been disclosed to Moody’s on a non-reliance basis, subject to the usual qualifications and assumptions, (B) such guarantee provides that, in the event that any of such guarantor’s payments to Party B are subject to deduction or withholding for tax, such guarantor is required to pay such additional amount as is necessary to ensure that the net amount actually received by Party B (free and clear of any tax) will equal the full amount Party B would have received had no such deduction or withholding been required, or (C) in the event that any payment (the “**Primary Payment**”) under such guarantee is made net of deduction or withholding for tax, Party A is required, under this Agreement to make such additional payment (the “**Additional Payment**”) as is necessary to ensure that the net amount actually received by Party B from the guarantor (free and clear of any tax) will equal the full amount Party B would have received had no such deduction or withholding been required (assuming that the guarantor will be required to make a payment under such guarantee in respect of the Additional Payment) and (III) the guarantor waives any right of set-off in respect of payments under such guarantee.

“**Eligible Replacement**” means an entity that could lawfully perform the obligations owing to Party B under this Agreement or its replacement (as applicable) (A) with at least the Second

Trigger Required Ratings or (B) whose present and future obligations owing to Party B under this Agreement are guaranteed pursuant to an Eligible Guarantee provided by a guarantor with at least the Second Trigger Required Ratings.

“**EMIR**” means Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012.

“**Firm Offer**” means an offer which, when made, is capable of becoming legally binding upon acceptance.

(n) ***Modifications to close out provisions***

If an Early Termination Date is designated at a time when Party A is (A) the Affected Party in respect of an Additional Termination Event or a Tax even Upon Merger or (B) the Defaulting Party in respect of an Event of Default, paragraphs (i) to (viii) below shall apply:

(i) For the purposes of Section 6(d)(i), Party B’s obligation with respect to the extent of information to be provided with its calculations is limited to information Party B has already received in writing and provided Party B is able to release this information without breaching the provisions of any law applicable to, or any contractual restriction binding upon, Party B.

(ii) The definition of “Market Quotation” shall be deleted in its entirety and replaced with the following:

“**Market Quotation**” means, with respect to one or more Terminated Transactions, a Firm Offer which is:

- (1) made by an Eligible Replacement;
- (2) for an amount that would be paid to Party B (expressed as a negative number) or by Party B (expressed as a positive number) in consideration of an agreement between Party B and such Eligible Replacement to enter into a transaction (the “**Replacement Transaction**”) that would have the effect of preserving for Party B the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under this agreement in respect of such terminated transactions or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date;
- (3) made on the basis that Unpaid Amounts in respect of the Terminated Transaction or group of Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included; and
- (4) made in respect of a Replacement Transaction with terms that are, in all material respects, no less beneficial for Party B than those of this Agreement (save for the exclusion of provisions relating to Transactions that are not Terminated Transactions), as determined by Party B.”



- (iii) If Party B elects to determine whether or not a Firm Offer satisfies the condition in subparagraph (4) of Market Quotation, it shall do so in a commercially reasonable manner.
- (iv) The definition of “Settlement Amount” shall be deleted in its entirety and replaced with the following:

“*Settlement Amount*” means, with respect to any Early Termination Date:

- (1) if, on or prior to such Early Termination Date, a Market Quotation for the relevant Terminated Transaction or group of Terminated Transaction has been accepted by Party B so as to become legally binding, the Termination Currency Equivalent of the amount (whether positive or negative) of such Market Quotation;
  - (2) if, on such Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions has been accepted by Party B so as to become legally binding and one or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, the Terminated Currency Equivalent of the amount (whether positive or negative) of the lowest of such Market Quotations (for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value); or
  - (3) if, on such Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions has been accepted by Party B so as to become legally binding and no Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B’s Loss (whether positive or negative and without reference to any Unpaid Amounts) for the relevant Terminated Transaction or group of Terminated Transactions.”
- (v) At any time on or before the Early Termination Date at which two or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B shall be entitled to accept only the lowest of such Market Quotations (for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotation expressed as negative numbers is the one with the largest absolute value).
  - (vi) If Party B requests Party A in writing to obtain Market Quotations, Party A shall use reasonable efforts to do so before the Early Termination Date.
  - (vii) Party B will not be obliged to consult with Party A as to the day and time of obtaining any quotations it obtains for the purposes of Market Quotation.
  - (viii) For the purpose of determining Unpaid Amounts, any payment or delivery obligation which was (or would have been but for Section 2(a)(iii)) required to be performed pursuant to paragraph 2 of the Credit Support Annex shall be disregarded.

(o) ***Contracts (Rights of Third Parties) Act 1999***

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

(p) ***Deed of Charge***

Party B undertakes to Party A and the Security Trustee that its obligations to Party A pursuant to this Agreement shall at all times be secured by the Deed of Charge.

(q) ***Transfers***

Section 7 of this Agreement shall apply to Party B (save in respect of any security granted by Party B under the Transaction Documents) but shall not apply to Party A, who shall be required to comply with, and shall be bound by, the following:

Without prejudice to Section 6(b)(ii), Party A may transfer its interest and obligations in and under this Agreement upon providing five Local Business Days' prior written notice to the Security Trustee and Party B, to any other entity (a "**Transferee**") that is an Eligible Replacement provided that:

- (i) the Transferee contracts with Party B on terms that (x) have the same effect as the terms of this Agreement in respect of any obligation (whether absolute or contingent) to make payment or delivery after the effective date of such transfer; and (y) insofar as they do not relate to payment or delivery obligations, are, in all material respects, no less beneficial for Party B than the terms of this Agreement immediately before such transfer;
- (ii) unless such transfer is effected at a time when the First Rating Trigger Requirements apply, or the Transferee contracts with Party B on terms that are identical to the terms of this Agreement (save for any amendments that are necessary to reflect, or are a natural consequence of, the fact that the Transferee is to be substituted for Party A), Party B has determined that the condition in (i)(y) above is satisfied and communicated such determination to Party A in writing;
- (iii) the Transferee is an entity who (i) is a Fitch Eligible Counterparty and (ii) has at least the Subsequent S&P Required Rating or such Transferee's obligations under the Agreement are guaranteed pursuant to a guarantee which satisfies the S&P guarantee criteria as set out in General Criteria; Guarantee Criteria, as published by S&P on 21 October 2016 (as republished on 7 August 2020), by an entity who has at least the Subsequent S&P Required Rating;
- (iv) if the Transferee is domiciled in a different jurisdiction from both Party A and Party B, notice is given to Fitch and S&P;
- (v) (except where the Transferee is required to pay additional amounts pursuant to Section 2(d)(i) of this Agreement or an equivalent provision in the replacement agreement, as applicable, as of the date of such transfer) as of the date of such transfer, the Transferee will not, as a result of such transfer, be required to make any withholding or deduction for or on account of any Tax in respect of payments made under this Agreement and the Transferee makes the Additional Tax Representation;

- (vi) as judged immediately prior to the proposed transfer, a Termination Event or Event of Default will not occur as a direct result of such transfer; and
- (vii) no additional amount will be payable by Party B to Party A or the Transferee on the next succeeding Scheduled Payment Date as a result of such transfer.

If Party B elects to make a determination for the purposes of paragraph (i)(y) above, Party B shall act in a commercially reasonable manner. Following such transfer all references to Party A shall be deemed to be references to the Transferee and the Transferee shall be deemed to have made each of the representations made by Party A pursuant to this Agreement.

Party B may transfer (whether by way of security or otherwise) any interest or obligation in or under this Agreement, provided that such transfer is effected by or pursuant to the Transaction Documents (for the avoidance of doubt, including but limited to this Agreement).

If an entity has made a Firm Offer (which remains capable of becoming legally binding upon acceptance) to be the transferee of a transfer to be made in accordance with Part 5(q) above, Party B shall, at Party A's written request and cost, take any reasonable steps required to be taken by it to effect such transfer.

- (r) **Successors.** References in this Agreement to the parties hereto, Party A and Party B shall (for the avoidance of doubt) include, where appropriate, any permitted successor or assign thereof.

- (s) **Security Trustee**

- (i) If there is any change in the identity of the Security Trustee in accordance with the Deed of Charge, the parties to this Agreement shall execute such documents and take such action as the successor Security Trustee and the outgoing Security Trustee may reasonably require for the purpose of vesting in the successor Security Trustee the rights and obligations of the outgoing Security Trustee under this Agreement and releasing the outgoing Security Trustee from any future obligations under this Agreement.

- (ii) The Security Trustee has agreed to become a party to this Agreement for the better preservation and enforcement of its rights under this Agreement but shall not assume any obligations or liabilities to Party A or Party B hereunder. Any liberty or right which may be exercised or any determination which may be made under this Agreement by the Security Trustee may be exercised or made in the Security Trustee's absolute discretion without any obligation to give reasons therefor and the Security Trustee shall not be responsible for any liability occasioned by so acting but subject always to the terms of the Deed of Charge.

- (t) **No Enforcement**

Party A agrees with Party B and the Security Trustee that:

- (i) only the Security Trustee may enforce the Security in accordance with the provisions of the Deed of Charge; and
  - (ii) it shall not take any steps for the purpose of:
    - (A) recovering any of the Secured Obligations (including, without limitation, by exercising any rights of set-off); or

- (B) enforcing any rights arising out of the Transaction Documents against Party B or procuring the winding up, administration or liquidation of Party B in respect of any of its liabilities whatsoever,

unless the Security Trustee, having become bound to take any steps or proceedings to enforce the said Security under or pursuant to the Deed of Charge, fails to do so within a reasonable period and such failure is continuing (in which case Party A shall be entitled to take any such steps and proceedings as it shall deem necessary other than the presentation of a petition for the winding up of, or for an administration under in respect of, Party B).

(u) ***Limited Recourse***

Party A agrees with Party B and the Security Trustee that, notwithstanding any other provision of any Transaction Document, all obligations of Party B to Party A in respect of the Secured Obligations owing to Party A are limited in recourse to the Charged Property and upon the Security Trustee giving written notice to the Secured Creditors that:

- (i) it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents; and
- (ii) all amounts available to be applied to pay amounts owing under the Transaction Documents have been so applied in accordance with the provisions of the Deed of Charge,

the Secured Creditors shall have no further claim against the LLP in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full.

(v) ***Scope of Agreement***

It is hereby understood and agreed that: (a) the provisions of this Agreement shall only apply to the Covered Bond Swaps entered into between Party A and Party B (and, for the avoidance of doubt, the Credit Support Annex attached hereto) in respect of the CHF 310,000,000 Series 85 Fixed Rate Covered Bonds due 12 November 2028 (the “**Covered Bonds**”) issued by Santander UK plc pursuant to the €35 billion global covered bond programme; (b) this Agreement constitutes a Covered Bond Swap Agreement; and (c) no other Transaction may be entered into pursuant hereto.

(w) ***ISDA 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol***

Both parties agree that the amendments set out in the attachment (“the **Attachment**”) to the ISDA 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol published by ISDA on 19 July 2013 and available on the ISDA website ([www.isda.org](http://www.isda.org)) (the **PDD Protocol**) shall be made to this Agreement. In respect of the attachment to the PDD Protocol, (i) the definition of “Adherence Letter” shall be deemed to be deleted and references to “Adherence Letter” shall be deemed to be to this Part 5(w), (ii) references to “Protocol Covered Agreement” shall be deemed to be references to this Agreement, and (iii) references to “Implementation Date” shall be deemed to be references to the date of this Agreement. For the purposes of this Part 5(w):

(A) Portfolio reconciliation process status:

Party A confirms that it is a Portfolio Data Sending Entity.

Party B confirms that it is a Portfolio Data Receiving Entity.

(B) Local Business Days:

Party A specifies the following places for the purposes of the definition of Local Business Day as it applies to it: London.

Party B specifies the following places for the purposes of the definition of Local Business Day as it applies to it: London.

(C) Use of an agent:

For the purposes of Part I(3) of the PDD Protocol:

Party B appoints Santander UK plc to act as its agent.

(D) Contact details for Portfolio Data, discrepancy notices and Dispute Notices:

Party A agrees to deliver the following items to Party B at the contact details shown below:

Portfolio Data: [REDACTED]

With a copy to [REDACTED]

Dispute Notice: [REDACTED]

With a copy to:

(i) [REDACTED]

(ii) [REDACTED]

Party B agrees to deliver the following items to Party A at the contact details shown below:

Notice of a discrepancy: [REDACTED]

With a copy to [REDACTED]

Dispute Notice: [REDACTED]

With a copy to:

(i) [REDACTED]

(ii) [REDACTED]

The parties further agree and acknowledge that:

- (1) if either party is subject to UK EMIR and in respect of such party's rights and obligations under the Attachment, all references in the Attachment to EMIR or any specific provision of EMIR will be deemed amended to refer to UK EMIR and the corresponding specific provision of UK EMIR and the Attachment will be construed accordingly;
- (2) if either party is subject to EMIR and in respect of such party's rights and obligations under the Attachment, all reference in the Attachment to EMIR or any specific provision of EMIR will not be amended; and
- (3) if UK EMIR and EMIR apply and there is a difference in the PR Period (as defined in and for the purposes of the Attachment) required under UK EMIR and EMIR, the regime that requires the shortest PR Period will apply to both parties.

For this purpose, "**UK EMIR**" means EMIR as it takes effect in domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time).

**SANTANDER UK PLC**  
(as Party A)

Signature:



Date: 23 February 2024

**ABBEY COVERED BONDS LLP**  
(as Party B)

Signature:



Date: 23 February 2024

**DEUTSCHE TRUSTEE COMPANY LIMITED**

Signature:

Date:

Signature:

Date:

**SANTANDER UK PLC**  
**(as Party A)**

**ABBEY COVERED BONDS LLP**  
**(as Party B)**

Signature:

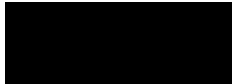
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Date:

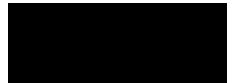
**DEUTSCHE TRUSTEE COMPANY LIMITED**

Signature:



Date: 23 February 2024

Signature:



Date: 23 February 2024



(Bilateral Form - Transfer)

(ISDA Agreements Subject to English Law)

**ISDA**<sup>®</sup>

International Swaps and Derivatives Association, Inc.

# **CREDIT SUPPORT ANNEX**

to the Schedule to the

## **ISDA Master Agreement**

dated as of 23 February 2024

between

Santander UK Plc ("**Party A**")

Abbey Covered Bonds LLP ("**Party B**")

Deutsche Trustee Company Limited (the "**Security Trustee**")

This Annex supplements, forms part of, and is subject to, the ISDA Master Agreement referred to above and is part of its Schedule. For the purposes of this Agreement, including, without limitation, Sections 1(c), 2(a), 5 and 6, the credit support arrangements set out in this Annex constitute a Transaction (for which this Annex constitutes the Confirmation).

### **Paragraph 1. Interpretation**

Capitalised terms not otherwise defined in this Annex or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 10, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 11 and the other

provisions of this Annex, Paragraph 11 will prevail. For the avoidance of doubt, references to "transfer" in this Annex mean, in relation to cash, payment and, in relation to other assets, delivery.

## **Paragraph 2. Credit Support Obligations**

(a) **Delivery Amount.** Subject to Paragraphs 3 and 4, upon a demand made by the Transferee on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Transferor's Minimum Transfer Amount, then the Transferor will transfer to the Transferee Eligible Credit Support having a Value as of the date of transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 11 (b)(iii)(D)). Unless otherwise specified in Paragraph 11(b), the "Delivery Amount" applicable to the Transferor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date).

(b) **Return Amount.** Subject to Paragraphs 3 and 4, upon a demand made by the Transferor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Transferee's Minimum Transfer Amount, then the Transferee will transfer to the Transferor Equivalent Credit Support specified by the Transferor in that demand having a Value as of the date of transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 11 (b)(iii)(D)) and the Credit Support Balance will, upon such transfer, be reduced accordingly. Unless otherwise specified in Paragraph 11(b), the "Return Amount" applicable to the Transferee for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date)

exceeds

(ii) the Credit Support Amount.

## **Paragraph 3. Transfers, Calculations and Exchanges**

(a) **Transfers.** All transfers under this Annex of any Eligible Credit Support, Equivalent Credit Support, Interest Amount or Equivalent Distributions shall be made in accordance with the instructions of the Transferee or Transferor, as applicable, and shall be made:

(i) in the case of cash, by transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities which cannot or which the parties have agreed will not be delivered by book-entry, by delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, transfer tax stamps and any other documents necessary to constitute a legally valid transfer of the transferring party's legal and beneficial title to the recipient; and

(iii) in the case of securities which the parties have agreed will be delivered by book-entry, by the giving of written instructions (including, for the avoidance of doubt, instructions given by telex, facsimile transmission or electronic messaging system) to the relevant depository institution or other entity specified by the recipient, together with a written copy of the instructions to the recipient, sufficient, if complied with, to result in a legally effective transfer of the transferring party's legal and beneficial title to the recipient.

Subject to Paragraph 4 and unless otherwise specified, if a demand for the transfer of Eligible Credit Support or Equivalent Credit Support is received by the Notification Time, then the relevant transfer will be made not later than the close of business on the Settlement Day relating to the date such demand is received; if a demand is received after the Notification Time, then the relevant transfer will be made not later than the close of business on the Settlement Day relating to the day after the date such demand is received.

(b) **Calculations.** All calculations of Value and Exposure for purposes of Paragraphs 2 and 4(a) will be made by the relevant Valuation Agent as of the relevant Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or, in the case of Paragraph 4(a), following the date of calculation).

(c) **Exchanges.**

(i) Unless otherwise specified in Paragraph 11, the Transferor may on any Local Business Day by notice inform the Transferee that it wishes to transfer to the Transferee Eligible Credit Support specified in that notice (the "New Credit Support") in exchange for certain Eligible Credit Support (the "Original Credit Support") specified in that notice comprised in the Transferor's Credit Support Balance.

(ii) If the Transferee notifies the Transferor that it has consented to the proposed exchange, (A) the Transferor will be obliged to transfer the New Credit Support to the Transferee on the first Settlement Day following the date on which it receives notice (which may be oral telephonic notice) from the Transferee of its consent and (B) the Transferee will be obliged to transfer to the Transferor Equivalent Credit Support in respect of the Original Credit Support not later than the Settlement Day following the date on which the Transferee receives the New Credit Support, unless otherwise specified in Paragraph 11(d) (the "Exchange Date"); *provided* that the Transferee will only be obliged to transfer Equivalent Credit Support with a Value as of the date of transfer as close as practicable to, but in any event not more than, the Value of the New Credit Support as of that date.

#### Paragraph 4. Dispute Resolution

(a) ***Disputed Calculations or Valuations.*** If a party (a "Disputing Party") reasonably disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any transfer of Eligible Credit Support or Equivalent Credit Support, then:

(1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following, in the case of (I) above, the date that the demand is received under Paragraph 2 or, in the case of (II) above, the date of transfer;

(2) in the case of (I) above, the appropriate party will transfer the undisputed amount to the other party not later than the close of business on the Settlement Day following the date that the demand is received under Paragraph 2;

(3) the parties will consult with each other in an attempt to resolve the dispute; and

(4) if they fail to resolve the dispute by the Resolution Time, then:

(i) in the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 11(c), the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilising any calculations of that part of the Exposure attributable to the Transactions that the parties have agreed are not in dispute;

(B) calculating that part of the Exposure attributable to the Transactions in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction, then fewer than four quotations may be used for that Transaction, and if no quotations are available for a particular Transaction, then the Valuation Agent's original calculations will be used for the Transaction; and

(C) utilising the procedures specified in Paragraph 11(e)(ii) for calculating the Value, if disputed, of the outstanding Credit Support Balance;

(ii) in the case of a dispute involving the Value of any transfer of Eligible Credit Support or Equivalent Credit Support, the Valuation Agent will recalculate the Value as of the date of transfer pursuant to Paragraph 11(e)(ii).

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) as soon as possible but in any event not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following such notice given by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraph 3(a), make the appropriate transfer.

(b) **No Event of Default.** The failure by a party to make a transfer of any amount which is the subject of a dispute to which Paragraph 4(a) applies will not constitute an Event of Default for as long as the procedures set out in this Paragraph 4 are being carried out. For the avoidance of doubt, upon completion of those procedures, Section 5(a)(i) of this Agreement will apply to any failure by a party to make a transfer required under the final sentence of Paragraph 4(a) on the relevant due date.

#### **Paragraph 5. Transfer of Title, No Security Interest, Distributions and Interest Amount**

(a) **Transfer of Title.** Each party agrees that all right, title and interest in and to any Eligible Credit Support, Equivalent Credit Support, Equivalent Distributions or Interest Amount which it transfers to the other party under the terms of this Annex shall vest in the recipient free and clear of any liens, claims, charges or encumbrances or any other interest of the transferring party or of any third person (other than a lien routinely imposed on all securities in a relevant clearance system).

(b) **No Security Interest.** Nothing in this Annex is intended to create or does create in favour of either party any mortgage, charge, lien, pledge, encumbrance or other security interest in any cash or other property transferred by one party to the other party under the terms of this Annex.

(c) **Distributions and Interest Amount.**

(i) **Distributions.** The Transferee will transfer to the Transferor not later than the Settlement Day following each Distributions Date cash, securities or other property of the same type, nominal value, description and amount as the relevant Distributions ("Equivalent Distributions") to the extent that a Delivery Amount would not be created or increased by the transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed a Valuation Date for this purpose).

(ii) **Interest Amount.** Unless otherwise specified in Paragraph 11(f)(iii), the Transferee will transfer to the Transferor at the times specified in Paragraph 11(f)(ii) the relevant Interest Amount to the extent that a Delivery Amount would not be created or increased by the transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed a Valuation Date for this purpose).

#### **Paragraph 6. Default**

If an Early Termination Date is designated or deemed to occur as a result of an Event of Default in relation to a party, an amount equal to the Value of the Credit Support Balance, determined as though the Early Termination Date were a Valuation Date, will be deemed to be an Unpaid Amount due to the Transferor (which may or may not be the Defaulting Party) for purposes of Section 6(e). For the avoidance of doubt, if Market Quotation is the applicable payment measure for purposes of Section 6(e), then the Market Quotation determined under Section 6(e) in relation to the Transaction constituted by this Annex will be deemed to be zero, and, if Loss is the applicable payment measure for purposes of Section 6(e), then the Loss determined under Section 6(e) in relation to the Transaction will be limited to the Unpaid Amount representing the Value of the Credit Support Balance.

## Paragraph 7. Representation

Each party represents to the other party (which representation will be deemed to be repeated as of each date on which it transfers Eligible Credit Support, Equivalent Credit Support or Equivalent Distributions) that it is the sole owner of or otherwise has the right to transfer all Eligible Credit Support, Equivalent Credit Support or Equivalent Distributions it transfers to the other party under this Annex, free and clear of any security interest, lien, encumbrance or other restriction (other than a lien routinely imposed on all securities in a relevant clearance system).

## Paragraph 8. Expenses

Each party will pay its own costs and expenses (including any stamp, transfer or similar transaction tax or duty payable on any transfer it is required to make under this Annex) in connection with performing its obligations under this Annex, and neither party will be liable for any such costs and expenses incurred by the other party.

## Paragraph 9. Miscellaneous

(a) **Default Interest.** Other than in the case of an amount which is the subject of a dispute under Paragraph 4(a), if a Transferee fails to make, when due, any transfer of Equivalent Credit Support, Equivalent Distributions or the Interest Amount, it will be obliged to pay the Transferor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value on the relevant Valuation Date of the items of property that were required to be transferred, from (and including) the date that the Equivalent Credit Support, Equivalent Distributions or Interest Amount were required to be transferred to (but excluding) the date of transfer of the Equivalent Credit Support, Equivalent Distributions or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(b) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(c) **Demands and Notices.** All demands and notices given by a party under this Annex will be given as specified in Section 12 of this Agreement.

(d) **Specifications of Certain Matters.** Anything referred to in this Annex as being specified in Paragraph 11 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

## Paragraph 10. Definitions

As used in this Annex;

**"Base Currency"** means the currency specified as such in Paragraph 11(a)(i).

**"Base Currency Equivalent"** means, with respect to an amount on a Valuation Date, in the case of an amount denominated in the Base Currency, such Base Currency amount and, in the case of an amount denominated in a currency other than the Base Currency (the "Other Currency"), the amount of Base Currency required to purchase such amount of the Other Currency at the spot exchange rate determined by the Valuation Agent for value on such Valuation Date.

**"Credit Support Amount"** means, with respect to a Transferor on a Valuation Date, (i) the Transferee's Exposure plus (ii) all Independent Amounts applicable to the Transferor, if any, minus (iii) all Independent Amounts applicable to the Transferee, if any, minus (iv) the Transferor's Threshold; *provided, however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

**"Credit Support Balance"** means, with respect to a Transferor on a Valuation Date, the aggregate of all Eligible Credit Support that has been transferred to or received by the Transferee under this Annex, together with any Distributions and all proceeds of any such Eligible Credit Support or Distributions, as reduced pursuant to Paragraph 2(b), 3(c)(ii) or 6. Any Equivalent Distributions or Interest Amount (or portion of either) not transferred pursuant to Paragraph 5(c)(i) or (ii) will form part of the Credit Support Balance.

**"Delivery Amount"** has the meaning specified in Paragraph 2(a).

**"Disputing Party"** has the meaning specified in Paragraph 4.

**"Distributions"** means, with respect to any Eligible Credit Support comprised in the Credit Support Balance consisting of securities, all principal, interest and other payments and distributions of cash or other property to which a holder of securities of the same type, nominal value, description and amount as such Eligible Credit Support would be entitled from time to time.

**"Distributions Date"** means, with respect to any Eligible Credit Support comprised in the Credit Support Balance other than cash, each date on which a holder of such Eligible Credit Support is entitled to receive Distributions or, if that date is not a Local Business Day, the next following Local Business Day.

**"Eligible Credit Support"** means, with respect to a party, the items, if any, specified as such for that party in Paragraph 11(b)(ii) including, in relation to any securities, if applicable, the proceeds of any redemption in whole or in part of such securities by the relevant issuer.

**"Eligible Currency"** means each currency specified as such in Paragraph 11(a)(ii), if such currency is freely available.

**"Equivalent Credit Support"** means, in relation to any Eligible Credit Support comprised in the Credit Support Balance, Eligible Credit Support of the same type, nominal value, description and amount as that Eligible Credit Support.

**"Equivalent Distributions"** has the meaning specified in Paragraph 5(c)(i).

**"Exchange Date"** has the meaning specified in Paragraph 11(d).

**"Exposure"** means, with respect to a party on a Valuation Date and subject to Paragraph 4 in the case of a dispute, the amount, if any, that would be payable to that party by the other party (expressed as a positive number) or by that party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(1) of this Agreement if all Transactions (other than the Transaction constituted by this Annex) were being terminated as of the relevant Valuation Time, on the basis that (i) that party is not the Affected Party and (ii) the Base Currency is the Termination Currency; *provided* that Market Quotations will be determined by the Valuation Agent on behalf of that party using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

**"Independent Amount"** means, with respect to a party, the Base Currency Equivalent of the amount specified as such for that party in Paragraph 11 (b)(iii)(A); if no amount is specified, zero.

**"Interest Amount"** means, with respect to an Interest Period, the aggregate sum of the Base Currency Equivalents of the amounts of interest determined for each relevant currency and calculated for each day in that Interest Period on the principal amount of the portion of the Credit Support Balance comprised of cash in such currency, determined by the Valuation Agent for each such day as follows;

- (x) the amount of cash in such currency on that day; multiplied by
- (y) the relevant Interest Rate in effect for that day; divided by
- (z) 360 (or, in the case of pounds sterling, 365).

**"Interest Period"** means the period from (and including) the last Local Business Day on which an Interest Amount was transferred (or, if no Interest Amount has yet been transferred, the Local Business Day on which Eligible Credit Support or Equivalent Credit Support in the form of cash was transferred to or received by the Transferee) to (but excluding) the Local Business Day on which the current Interest Amount is transferred.

**"Interest Rate"** means, with respect to an Eligible Currency, the rate specified in Paragraph 11(f)(i) for that currency.

**"Local Business Day"**, unless otherwise specified in Paragraph 11(h), means:

- (i) in relation to a transfer of cash or other property (other than securities) under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment;
- (ii) in relation to a transfer of securities under this Annex, a day on which the clearance system agreed between the parties for delivery of the securities is open for the acceptance and execution of settlement instructions or, if delivery of the securities is contemplated by other means, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place(s) agreed between the parties for this purpose;



(iii) in relation to a valuation under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of location of the Valuation Agent and in the place(s) agreed between the parties for this purpose; and

(iv) in relation to any notice or other communication under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place specified in the address for notice most recently provided by the recipient.

**"Minimum Transfer Amount"** means, with respect to a party, the amount specified as such for that party in Paragraph 11(b)(iii)(C); if no amount is specified, zero.

**"New Credit Support"** has the meaning specified in Paragraph 3(c)(i).

**"Notification Time"** has the meaning specified in Paragraph 11(c)(iv).

**"Recalculation Date"** means the Valuation Date that gives rise to the dispute under Paragraph 4; *provided, however,* that if a subsequent Valuation Date occurs under Paragraph 2 prior to the resolution of the dispute, then the **"Recalculation Date"** means the most recent Valuation Date under Paragraph 2.

**"Resolution Time"** has the meaning specified in Paragraph 11 (c)(i).

**"Return Amount"** has the meaning specified in Paragraph 2(b).

**"Settlement Day"** means, in relation to a date, (i) with respect to a transfer of cash or other property (other than securities), the next Local Business Day and (ii) with respect to a transfer of securities, the first Local Business Day after such date on which settlement of a trade in the relevant securities, if effected on such date, would have been settled in accordance with customary practice when settling through the clearance system agreed between the parties for delivery of such securities or, otherwise, on the market in which such securities are principally traded (or, in either case, if there is no such customary practice, on the first Local Business Day after such date on which it is reasonably practicable to deliver such securities).

**"Threshold"** means, with respect to a party, the Base Currency Equivalent of the amount specified as such for that party in Paragraph 11(b)(iii)(B); if no amount is specified, zero.

**"Transferee"** means, in relation to each Valuation Date, the party in respect of which Exposure is a positive number and, in relation to a Credit Support Balance, the party which, subject to this Annex, owes such Credit Support Balance or, as the case may be, the Value of such Credit Support Balance to the other party.

**"Transferor"** means, in relation to a Transferee, the other party.

**"Valuation Agent"** has the meaning specified in Paragraph 11(c)(i).

**"Valuation Date"** means each date specified in or otherwise determined pursuant to Paragraph 11(c)(ii).

**"Valuation Percentage"** means, for any item of Eligible Credit Support, the percentage specified in Paragraph 11(b)(ii).

**"Valuation Time"** has the meaning specified in Paragraph 11(c)(iii).

**"Value"** means, for any Valuation Date or other date for which Value is calculated, and subject to Paragraph 4 in the case of a dispute, with respect to;

- (i) Eligible Credit Support comprised in a Credit Support Balance that is:
  - (A) an amount of cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage, if any; and
  - (B) a security, the Base Currency Equivalent of the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any; and
- (ii) items that are comprised in a Credit Support Balance and are not Eligible Credit Support, zero.

Covered Bond Swap CSA

**CREDIT SUPPORT ANNEX**

Elections and Variables dated as of 23 February 2024

Between

**SANTANDER UK PLC**

("Party A")

and

**ABBEY COVERED BONDS LLP**

("Party B")

and

**DEUTSCHE TRUSTEE COMPANY LIMITED**

(the "Security Trustee")

**Paragraph 11. Elections and Variables**

(a) **Base Currency and Eligible Currency.**

- (i) "Base Currency" means CHF.
- (ii) "Eligible Currency" means the Base Currency, GBP, USD and Euro.

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount.**

- (A) "Delivery Amount" has the meaning specified in Paragraph 2(a), as amended (I) by deleting the words "upon a demand made by the Transferee on or promptly following a Valuation Date" and inserting in lieu thereof the words "upon the determination by the Valuation Agent of the Delivery Amount in respect of each Valuation" and (II) by deleting in its entirety the sentence beginning "Unless otherwise specified in Paragraph 11(b)" and inserting in lieu thereof the following:

"The "Delivery Amount" applicable to the Transferor for any Valuation Date will equal the greatest of:

- (1) the amount by which (a) the Fitch Credit Support Amount (determined according to the Fitch Criteria) exceeds (b) the Value (determined using the Fitch Valuation Percentages in Appendix A) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date);
- (2) the amount by which (a) the Moody's Credit Support Amount (determined according to the Moody's Requirements), exceeds (b) the Value (determined using the applicable Moody's Valuation Percentages in the applicable table in Appendix B) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been

completed and for which the relevant Settlement Day falls on or after such Valuation Date); and

- (3) the amount by which (a) the S&P Credit Support Amount (determined according to the S&P Requirements), exceeds (b) the Value (determined using the S&P's Valuation Percentages in the table in Appendix C) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date).

Provided that, if, on any Valuation Date, the Delivery Amount equals or exceeds the Transferor's Minimum Transfer Amount, the Transferor will transfer to the Transferee sufficient Eligible Credit Support to ensure that, immediately following such transfer, the Delivery Amount shall be zero.”

- (B) “**Return Amount**” has the meaning as specified in Paragraph 2(b) as amended by deleting in its entirety the sentence beginning “Unless otherwise specified in Paragraph 11(b)” and inserting in lieu thereof the following:

“The “**Return Amount**” applicable to the Transferee for any Valuation Date will equal the least of:

- (1) the amount by which (a) the Value (determined using the Fitch Valuation Percentages in Appendix A) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds (b) the Fitch Credit Support Amount (determined according to the Fitch Requirements);
- (2) the amount by which (a) the Value (determined using the Moody's Valuation Percentages in the applicable table in Appendix B) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds (b) the Moody's Credit Support Amount (determined according to the Moody's Requirements); and
- (3) the amount by which (a) the Value (determined using the S&P Valuation Percentages in Appendix C) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds (b) the S&P Credit Support Amount (determined according to the S&P Requirements).”

Provided that in no event shall the Transferee be required to transfer any Equivalent Credit Support under Paragraph 2(b) if, immediately following such transfer, the Delivery Amount would be greater than zero.

- (C) “**Credit Support Amount**” has the meaning specified under the relevant definition of Rating Agency Requirement.

For the purposes of determining the Credit Support Amount at any time on or prior to the Final Maturity Date of the Covered Bonds, the Transaction that is a Cross Currency Swap and the Transaction that is an Interest Rate Swap shall constitute a single Transaction that is a Fixed to Floating Cross Currency Swap.

- (ii) **Eligible Credit Support.** On any date:

- (A) for the purpose of Fitch, the collateral specified in the table in Appendix A will qualify as “Eligible Credit Support” for Party A and Fitch Valuation Percentages shall apply as set out in such table;
- (B) for the purpose of Moody's, the collateral specified in the applicable table in Appendix B will qualify as “Eligible Credit Support” for Party A and Moody's Valuation Percentages shall apply as set out in such table; and
- (C) for the purpose of S&P, the collateral specified in the table in Appendix C will qualify as “Eligible Credit Support” for Party A and S&P Valuation Percentages shall apply as set out in such table.

“**Valuation Percentages**” means Moody's Valuation Percentages, Fitch Valuation Percentages, or S&P Valuation Percentages, as applicable.

- (iii) **Thresholds.**

- (A) “**Independent Amount**” means, for Party A and Party B, with respect to each Transaction, zero.
- (B) “**Threshold**” means, for Party A: infinity, unless (1) the Fitch Threshold, (2) the Moody's Threshold, or (3) the S&P Threshold is zero, in which case the Threshold for Party A shall be zero; and

“**Threshold**” means, for Party B: infinity.

“**Fitch Threshold**” means, (1) for so long as an Initial Fitch Rating Event or a Subsequent Fitch Rating Event has occurred and is continuing and Party A has not taken remedial action as contemplated by paragraphs (f)(iv)(B)(1), (2) or (3) or (f)(v)(B) (as applicable) of Part 5 of the Schedule to the Agreement, zero and (2) at any other time, infinity.

“**Moody's Threshold**” means, (1) so long as the First Rating Trigger Requirements apply and either (i) the First Rating Trigger Requirements have applied continuously since this Annex was executed or (ii) at least 30 Local Business Days have elapsed since the last time the First Rating Trigger Requirements did not apply, zero and (2) at any other time, infinity.

“**S&P Threshold**” means, for so long as (1) an Initial S&P Rating Event or a Subsequent S&P Rating Event has occurred and is continuing and Party A has not taken remedial action as contemplated by paragraphs (f)(i)(3)(B)(1), (f)(i)(3)(B)(2) or (f)(i)(3)(B)(3) or (f)(i)(4)(B)(1),

(f)(i)(4)(B)(2) or (f)(i)(4)(B)(3) (as applicable) of Part 5 of the Schedule to the Agreement, zero and (2) at any other time, infinity.

(C) “**Minimum Transfer Amount**” means, with respect to Party A and Party B, CHF 100,000 or the Base Currency Equivalent of such amount if the transfer is made in a currency other than the Base Currency; provided, that if (1) an Event of Default has occurred and is continuing in respect of which Party A or Party B is the Defaulting Party, or (2) an Additional Termination Event has occurred in respect of which Party A or Party B is an Affected Party, the Minimum Transfer Amount with respect to Party A or Party B, as applicable, shall be zero.

(D) “**Rounding**”. The Delivery Amount will be rounded up to the nearest integral multiple of CHF 10,000 and the Return Amount will be rounded down to the nearest integral multiple of CHF 10,000, subject to the maximum Return Amount being equal to the Credit Support Balance.

(c) **Valuation and Timing.**

(i) “**Valuation Agent**” means Party A in all circumstances.

(ii) “**Valuation Date**” means the first Business Day of each calendar week; provided that if such day is not a Local Business Day then the Valuation Date shall be the preceding day that is a Local Business Day and provided that for so long as the Second Rating Trigger Requirements apply, Valuation Date shall mean each Local Business Day.

(iii) “**Valuation Time**” means the close of business on the Local Business Day immediately preceding the Valuation Date or date of calculation, as applicable; provided that the calculations of Value and Exposure will be made as of approximately the same time on the same date.

(iv) “**Notification Time**” means by 5.00p.m., London time, on a Local Business Day.

(d) **Exchange Date.**

“**Exchange Date**” has the meaning specified in Paragraph 3(c)(ii).

(e) **Dispute Resolution.**

(i) “**Resolution Time**” means 2.00 p.m., London time, on the Local Business Day following the date on which notice is given that gives rise to a dispute under Paragraph 4.

(ii) “**Value**”. For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the outstanding Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, will be calculated as follows:

For Eligible Credit Support or Equivalent Credit Support that is:

(A) an amount of cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage; and

(B) a security, the Base Currency Equivalent of the sum of (a)(x) the last bid price on such date for such securities on the principal national securities exchange on which such securities are listed, multiplied by the applicable Valuation Percentage; or (y) where any securities are not listed on a

national securities exchange, the bid price for such securities quoted as at the close of business on such date by any principal market maker (which shall not be, and shall be independent from, the Valuation Agent) for such securities chosen by the Valuation Agent, multiplied by the applicable Valuation Percentage; or (z) if no such bid price is listed or quoted for such date, the last bid price listed or quoted (as the case may be), as of the day next preceding such date on which such prices were available, multiplied by the applicable Valuation percentage; plus (b) the accrued interest where applicable on such securities (except to the extent that such interest shall have been paid to the Transferor pursuant to Paragraph 5(c)(ii) or included in the applicable price referred to in subparagraph (a) above) as of such date.

(iii) **“Alternative”**. The provisions of Paragraph 4 will apply.

(f) **Distribution and Interest Amount.**

(i) **Interest Rate.** The "Interest Rate" in relation to each Eligible Currency will be such rate as agreed between Party A and Party B from time to time.

(ii) **Transfer of Interest Amount.** The transfer of any Interest Amount will be made on the first Local Business Day following the end of each calendar month in which it is received, or if that date is not a Valuation Date, the next following Valuation Date, provided that the Transferee shall only be obliged to transfer an Interest Amount to the extent that the Valuation Agent has confirmed in writing that a Delivery Amount would not be created or increased by that transfer.

(iii) **Alternative to Interest Amount.** The provisions of Paragraph 5(c)(ii) will apply. For the purposes of calculating the Interest Amount the amount of interest calculated for each day of the Interest Period shall, with respect to any Eligible Currency, be compounded daily.

(iv) **Interest Amount.** The definition of **“Interest Amount”** shall be deleted and replaced with the following:

**“Interest Amount”** means, with respect to an Interest Period and each portion of the Credit Support Balance comprised of cash in an Eligible Currency, any amounts of interest received (net of any deduction or withholding, for or on account of any tax) by the Transferee during such Interest Period on the principal amount of the portion of the Credit Support Balance comprised of Cash.

(v) **“Distributions”** means, with respect to any Eligible Credit Support comprised in the Credit Support Balance consisting of securities, all principal, interest and other payments and distributions of cash or other property which a holder (with the same tax residency as the Transferee) of securities of the same type, nominal value, description and amount as such Eligible Credit Support would have received (net of any deduction or withholding for or on account of any tax) from time to time, and for the avoidance of doubt, has been actually received by the Transferee,

(vi) **“Distributions Date”** means, with respect to any Eligible Credit Support comprised in the Credit Support Balance other than cash, each date on which a holder (with the same tax residency as the Transferee) of such Eligible Credit Support would have received Distributions and for the avoidance of doubt, has been actually received by the Transferee, or, if that date is not a Local Business Day, the next following Local Business Day.

(vii) **Transfer of Distributions.** The Transferee shall only be obliged to transfer Equivalent Distributions under Paragraph 5(c)(i) if the Valuation Agent has confirmed in writing that no Delivery Amount would be created or increased by the transfer (and the date of calculation will be deemed a Valuation Date for this purpose).

(g) **Addresses for Transfers.**

Party A: To be confirmed.

Party B: To be confirmed.

(h) **Other Provisions.**

(i) **Transfer Timing**

(1) The final paragraph of Paragraph 3(a) shall be deleted and replaced with the following:

“Subject to Paragraph 4, and unless otherwise specified, any transfer of Eligible Credit Support or Equivalent Credit Support (whether by the Transferor pursuant to Paragraph 2(a) or by the Transferee pursuant to Paragraph 2(b)) shall be made not later than the close of business on the Settlement Day.”

(2) The definition of Settlement Day shall be deleted and replaced with the following:

“**Settlement Day**” means the next Local Business Day after the Demand Date.

(3) For the purposes of this Paragraph 11(h)(i):

“**Demand Date**” means, with respect to a transfer by a party:

(i) in the case of a transfer pursuant to Paragraph 2, Paragraph 3 or Paragraph 4(a)(2), the relevant Valuation Date (provided that, in the case of any transfer to be made by the Transferee, the Transferee has received a demand on such date from the Transferor). For the avoidance of doubt, for the purposes of Paragraph 2, Paragraph 3 and Paragraph 4(a)(2), the Transferor will be deemed to receive notice of the demand by the Transferee to make a transfer of Eligible Credit Support; and

(ii) in the case of a transfer pursuant to Paragraph 3(c)(ii)(A), the date on which the Transferee has given its consent to the proposed exchange.

For the avoidance of doubt, on each Demand Date the Transferor shall deliver to the Transferee and the Security Trustee a statement showing the amount of Eligible Credit Support to be delivered.

(4) Paragraph 3(b) shall be amended by: (i) the deletion of the words "the Local Business Day following" in the fourth line thereof; (ii) the addition of the words "on the Local Business Day" before the word "following" in the fifth line thereof; and (iii) the addition of the words ", Moody's Credit Support Amount" after the word "Value" in the first line thereof.

(ii) **Costs of Transfer on Exchange**

Notwithstanding Paragraph 8, the Transferor will be responsible for, and will reimburse the Transferee for, all transfer and other taxes and other costs involved in the transfer



of Eligible Credit Support from the Transferor to the Transferee or in the transfer of Equivalent Credit Support from the Transferee to the Transferor hereto.

(iii) ***Cumulative Rights***

The rights, powers and remedies of the Transferee under this Annex shall be in addition to all rights, powers and remedies given to the Transferee by this Agreement or by virtue of any statute or rule of law, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the rights of the Transferee in the Credit Support Balance created pursuant to this Annex.

(iv) ***Single Transferor and Single Transferee***

Party A and Party B agree that, notwithstanding anything to the contrary in this Annex, (including, without limitation, the recital hereto, Paragraph 2 or the definitions in Paragraph 10), (a) the term “*Transferee*” as used in this Annex means only Party B, (b) the term “*Transferor*” as used in this Annex means only Party A, (c) only Party A will be required to make Transfers of Eligible Credit Support hereunder; and (d) in the calculation of any Credit Support Amount, where the Transferee's Exposure would be expressed as a negative number, such Exposure shall be deemed to be zero.

(v) ***Ratings Criteria***

“**Ratings Criteria**” means, the criteria used by Fitch (as set out in Fitch's Structured Finance Report entitled “Structured Finance and Covered Bonds Counterparty Rating Criteria”, as amended and supplemented by Fitch’s “Structured Finance and Covered Bonds Counterparty Rating Criteria – Derivative Addendum”, each dated 29 January 2020) (“**Fitch Criteria**”), the criteria used by Moody's (as set out in Moody's rating methodology report entitled “Moody’s Approach to Assessing Counterparty Risks in Structured Finance”, dated 27 November 2023 (“**Moody's Criteria**”)) and/or the criteria used by S&P (as set out in S&P's Structured Finance report entitled “Counterparty Risk Framework: Methodology and Assumptions” dated 8 March 2019 and republished on 27 July 2023) (“**S&P Criteria**”) for the purposes of determining the amount of Eligible Credit Support Party A is required to transfer hereunder.

(vi) ***Rating Agency Requirement***

“**Rating Agency Requirement**” means the Fitch Requirements, the Moody’s Requirements and the S&P Requirements, as defined below.

(A) ***Fitch Requirements***

“**Fitch Credit Support Amount**” shall mean at any time for the purposes of the Fitch Requirements with respect to a Transferor on a Valuation Date:

- (I) at any time that the Fitch Threshold for Party A is infinity (irrespective of whether the Threshold is infinity or zero), zero; and
- (II) at any time that the Threshold for Party A is zero by virtue of the Fitch Threshold:
  - (x) in circumstances where Party A is an external derivative counterparty (as defined by Fitch), the amount determined in accordance with the formula specified in the applicable Fitch Credit Support Amount Matrix for the combination of:
    - (i) the rating assigned by Fitch to the Issuer; and

- (ii) the highest Long-Term Fitch Rating or Short-Term IDR assigned by Fitch to a Fitch Relevant Entity,

provided, however, that where more than one formula may apply by virtue of the application of the above rules, the following priority rules shall apply for the purposes of selecting the applicable formula: (A) the Base Formula shall be selected ahead of Fitch Formula 1 or Fitch Formula 2 and (B) Fitch Formula 1 shall be selected ahead of Fitch Formula 2; and

- (y) in circumstances where Party A is an internal derivative counterparty (as defined by Fitch):
  - (i) where a Fitch Relevant Entity has the Formula 1 Ratings, an amount determined in accordance with Fitch Formula 1; and
  - (ii) where no Fitch Relevant Entity has the Formula 1 Rating, an amount determined in accordance with Fitch Formula 2.

For the purposes of determining the Fitch Credit Support Amount at any time on or prior to the Final Maturity Date of the Covered Bonds, the Transaction that is a Cross Currency Swap and the Transaction that is an Interest Rate Swap shall constitute a single Transaction that is a fixed to floating Cross Currency Swap.

where:

**“Issuer”** means Santander UK plc;

**“Base Formula”** means  $\max [0; MV]$ ;

**“Fitch Formula 1”** means,  $\max [MV \text{ plus } (LA \text{ multiplied by } VC \text{ multiplied by } 60\% \text{ multiplied by } N); 0]$ ;

**“Fitch Formula 2”** means,  $\max [MV \text{ plus } (LA \text{ multiplied by } VC \text{ multiplied by } N); 0]$ ;

**“Fitch Credit Support Amount Matrix”** means:

- (I) in the event the Covered Bonds are rated at least ‘AAA’ by Fitch, the table set out in Appendix A headed “Fitch Credit Support Amount Matrix 1”;
- (II) in the event the Covered Bonds are rated ‘AA+’ to ‘AA-’ by Fitch, the table set out in Appendix A headed “Fitch Credit Support Amount Matrix 2”;
- (III) in the event the Covered Bonds are rated ‘A+’ to ‘A-’ by Fitch, the table set out in Appendix A headed “Fitch Credit Support Amount Matrix 3”; and
- (IV) in the event the Covered Bonds are rated ‘BBB+’ or below by Fitch, the table set out in Appendix A headed “Fitch Credit Support Amount Matrix 4”;

**“Fitch Relevant Entity”** means Party A (or its successor or assignee) or any Credit Support Provider (that is a Fitch Eligible Guarantor) from time to time in respect of Party A;

**“Formula 1 Ratings”** and **“Formula 2 Ratings”** have the meaning given to such terms in the following table:

<b>Collateral posting formulas for Minimum Long-Term Fitch Rating or Short-Term IDR</b>
---

Rating of the Covered Bonds*	Minimum Long-Term Fitch Rating or Short-Term IDR assigned to the Fitch Relevant Entity by Fitch	Minimum Long-Term Fitch Rating or Short-Term IDR assigned to the Fitch Relevant Entity by Fitch
	Formula 1 Ratings	Formula 2 Ratings
AAA	A- or F2	BBB- or F3
AA+, AA, AA-	BBB+ or F2	BBB- or F3
A+, A, A-	BBB- or F3	BB+
BBB+, BBB, BBB-	No Formula 1 Ratings Apply	BB-
BB+, BB, BB-	No Formula 1 Ratings Apply	B+
B+ or below or the Covered Bonds are not rated by Fitch	No Formula 1 Ratings Apply	B-

\*For the purposes of the above table, if the Covered Bonds are downgraded by Fitch as a result of Party A's failure to perform any obligation under this Agreement, then the then-current rating of the Covered Bonds will be deemed to be the rating the Covered Bonds would have had but for such failure.

“**BLA**” means zero;

“**LA**” is equal to  $(1 + \text{BLA}) \times (1 + \max(0\%; 5\% \times (\text{WAL} - 20)))$ ;

“**max**” means maximum;

“**MV**” means the Transferee's Exposure;

“**VC**” means the percentage determined by the Valuation Agent by reference to the tables below in respect of cross currency swaps or interest rate swaps, as applicable, for a weighted average life that is equal to WAL;

“**N**” means the Transaction Notional Amount for the Calculation Period which includes such Valuation Date; and

“**WAL**” means the weighted average life in years of the Covered Bonds, rounded upwards to the nearest whole year assuming scheduled amortisation only.

<b>VCs for Interest Rate Swaps, Caps, Floors and Collars</b>								
<b>Fixed/floating interest rate swaps, caps, floors and collars, depending on the WAL (years) (%)</b>								
<b>Current Covered Bonds Rating</b>	<b>Basis swaps (%)</b>	<b>&lt;1</b>	<b>1-3</b>	<b>3-5</b>	<b>5-7</b>	<b>7-10</b>	<b>10-20</b>	<b>20-50</b>
AA- or higher	0.75	0.75	2.25	3.50	4.50	5.50	7.50	9.50

Below AA-	0.50	0.50	1.50	2.50	3.00	3.50	4.50	5.50
Note: The VCs for Caps and Floors are reduced by 30%, eg for an interest rate cap with a WAL of up to one year the rate would be 0.75% * 70% = 0.525%. Source: Fitch.								

<b>VCs for Cross-Currency Swaps</b>							
<b>Fixed-floating, fixed-fixed or floating-floating FX swaps at weighted average life (years) (%)</b>							
<b>Current relevant Series of Covered Bonds Rating</b>	<b>&lt;1</b>	<b>1-3</b>	<b>3-5</b>	<b>5-7</b>	<b>7-10</b>	<b>10-20</b>	<b>20-50</b>
<b>AA- or higher</b>							
- Floating/floating	11.75	11.75	11.75	11.75	11.75	11.75	11.75
- Fixed/floating	11.75	12.5	13.0	13.5	14.0	15.0	16.0
- Fixed/fixed	12.0	13.5	14.75	15.75	16.75	18.75	20.75
<b>Below AA-</b>							
- Floating/floating	7.75	7.75	7.75	7.75	7.75	7.75	7.75
- Fixed/floating	7.75	8.25	8.75	9.00	9.25	9.75	10.25
- Fixed/fixed	8.00	9.00	10.00	10.50	11.00	12.00	13.00
Note: The VCs for FX Options are reduced by 30%, eg for an FX Option with a WAL of up to one year the rate would be 11.75% * 70% = 8.2% Source: Fitch							

(B) **Moody's Requirements**

“**Moody’s Credit Support Amount**” shall mean at any time for the purposes of the Moody's Requirements with respect to a Transferor on a Valuation Date:

- (1) if the Moody's Threshold for Party A is infinity (irrespective of whether the Threshold is infinity or zero), zero;
- (2) if the Moody's Threshold for Party A is zero with respect of a Valuation Date, the greater of:
  - (i) zero; and
  - (ii) the sum of (x) the Transferee's Exposure and (y) the aggregate of the Additional Trigger Collateral Amounts in respect of such Valuation Date for all Transactions (other than the Transaction constituted by this Annex).

“**Additional Trigger Collateral Amount**” means, for any Valuation Date:

- (1) in respect of any Transaction that is a Cross-Currency Swap, the lesser of:
  - (a) the product of the Moody’s Cross Currency Notional Amount Higher Multiplier and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date;
  - (b) the sum of:
    - (x) the product of the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date and the Moody's Cross Currency Notional Amount Lower Multiplier; and

- (y) the product of the Moody's Cross Currency DV01 Multiplier and the Transaction Cross Currency DV01 for such Transaction and
  - (c) the product of the percentage specified in the column headed "Cross Currency Swaps" (in the table set out in Appendix B headed "Additional Trigger Collateral Amount Table") in respect of cross currency swaps with a Swap Tenor that is equal to the WAL and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date; and
- (2) in respect of any Transaction that is an Interest Rate Swap, the lesser of:
- (a) the product of the Moody's Single Currency DV01 Multiplier and the Transaction Single Currency DV01 for such Transaction;
  - (b) the product of the Moody's Single Currency Notional Amount Multiplier and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date; and
  - (c) the product of the percentage specified in the column headed "Single Currency Swaps" (in the table set out in Appendix B headed "Additional Trigger Collateral Amount Table") in respect of single currency swaps with a Swap Tenor that is equal to WAL and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date.

For the purposes of determining the Moody's Credit Support Amount at any time on or prior to the Final Maturity Date of the Covered Bonds, the Transaction that is a Cross Currency Swap and the Transaction that is an Interest Rate Swap shall constitute a single Transaction that is a fixed to floating Cross Currency Swap.

where:

**"Cross-Currency Swap"** means any Transaction that is a cross-currency hedge as evidenced by a Confirmation.

**"Interest Rate Swap"** means any Transaction that is an interest rate hedge as evidenced by a Confirmation;

**"Moody's Cross Currency DV01 Multiplier"** means 15.

**"Moody's Cross Currency Notional Amount Higher Multiplier"** means 0.09.

**"Moody's Cross Currency Notional Amount Lower Multiplier"** means 0.06.

**"Moody's Single Currency DV01 Multiplier"** means 50.

**"Moody's Single Currency Notional Amount Multiplier"** means 0.08.

**"Transaction"** means a Transaction entered into pursuant to this Agreement;

**"Transaction Cross Currency DV01"** means, with respect to a Transaction and any date of determination, the greater of (i) the estimated absolute change in the Base Currency of the mid-market value with respect to such Transaction that would result from a one basis point change in the relevant swap curve (denominated in the currency of Party A's payment obligations under such Transaction) on such date and (ii) the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such Transaction that would result from a one basis point change in the

relevant swap curve (denominated in the currency of Party B's payment obligations under such Transaction) on such date, in each case as determined by the Valuation Agent in good faith and in a commercially reasonable manner in accordance with the relevant methodology customarily used by the Valuation Agent.

**“Transaction Notional Amount”** means (A) in respect of any Transaction that is a Cross-Currency Swap, the Base Currency Equivalent of the Currency Amount applicable to Party A's payment obligations and (B) in respect of any other Transaction that is an Interest Rate Swap, the Base Currency Equivalent of the Notional Amount.

**“Transaction Single Currency DV01”** means, with respect to a Transaction and any date of determination, the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such Transaction that would result from a one basis point change in the relevant swap curve on such date, as determined by the Valuation Agent in good faith and in a commercially reasonable manner in accordance with the relevant methodology customarily used by the Valuation Agent.

**“WAL”** means the weighted average life in years of the Covered Bonds, rounded upwards to the nearest whole year assuming a zero prepayment rate and zero default rate in relation to the Covered Bonds.

(C) ***S&P Requirements***

**“S&P Credit Support Amount”** shall mean at any time for the purposes of the S&P Requirements with respect to a Transferor on a Valuation Date:

- (1) if the S&P Threshold for such Valuation Date is zero, an amount equal to the greater of (a) zero and (b) S&P Posting Amount; and
- (2) if the S&P Threshold is infinity (irrespective of whether the Threshold is infinity or zero), zero.

where:

**“S&P Posting Amount”** means:

- (A) if Party A's S&P Framework is S&P Strong or S&P Adequate and the S&P Rating Event has occurred and been continuing for 10 or more Local Business Days, an amount equal to the sum of (i) the Transferee's Exposure plus (ii) the aggregate of, with respect to each Transaction, the product of the applicable S&P Volatility Buffer multiplied by the Transaction Notional Amount, determined on such Valuation Date, of the applicable Transaction; or
- (B) if Party A's S&P Classification is S&P Moderate and the S&P Rating Event has occurred and been continuing for 10 or more Local Business Days, an amount equal to the Transferee's Exposure determined on such Valuation Date.

where:

**“S&P Volatility Buffer”** means the applicable volatility buffer at that time determined (i) by reference to the related S&P Framework as set out in the tables entitled “S&P Volatility Buffers” in Appendix C below.

For the purposes of determining the S&P Posting Amount at any time on or prior to the Final Maturity Date of the Covered Bonds, the Transaction that is a Cross Currency Swap and the Transaction that is an Interest Rate Swap shall constitute a single Transaction that is a fixed to floating Cross Currency Swap.

(vii) **Calculations**

Paragraph 3(b) of this Annex shall be amended by inserting the words “and shall provide each party (or the other party, if the Valuation Agent is a party) with a description in reasonable detail of how such calculations were made, upon request” after the word “calculations” in the third line thereof.

(viii) **“Exposure”** has the meaning specified in Paragraph 10, except that (1) after the word “Agreement” the words “(assuming, for this purpose only, that Part 5(n) (*Modifications to close out provisions*) of the Schedule is deleted)” shall be inserted and (2) at the end of the definition of Exposure, the words “without assuming that the terms of such Replacement Transactions are materially less beneficial for Party B than the terms of this Agreement” shall be added.

(ix) **Definitions.** As used in this Annex, the following terms shall mean:

**“Fitch”** means Fitch Ratings Ltd and includes any successors thereto;

**“Moody's”** means Moody's Investors Service Limited and includes any successors thereto; and

**“S&P”** means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc.

(x) **Early Termination**

The heading for Paragraph 6 shall be deleted and replaced with “Early Termination” and the following amendments shall be made to Paragraph 6:

(1) the words “or Termination Event where all transactions are Affected Transactions” shall be added immediately after the word “party” in the second line of Paragraph 6; and

(2) the words “or an Affected Party” shall be added immediately after the words “Defaulting Party” in the fourth line of Paragraph 6.

(xi) **Paragraph 6**

For the purposes of determining the Credit Support Balance pursuant to Paragraph 6, the definition of Value in Paragraph 10 shall be amended by deleting the words “multiplied by the applicable Valuation Percentage, if any” from sub-paragraph (i)(A) and (i)(B)

**IN WITNESS WHEREOF** the parties have signed this Annex as of the date first above written.

**SANTANDER UK PLC**

By: ..  ..  
Title:  ..  
Date: 23 February 2024 ..

**ABBEY COVERED BONDS LLP**

By: ..  ..  
Title:  ..  
Date: 23 February 2024 ..

By: ..  ..  
Title:  ..  
Date: 23 February 2024 ..

By: ..  ..  
Title:  ..  
Date: 23 February 2024 ..

**DEUTSCHE TRUSTEE COMPANY  
LIMITED**

By: .....  
Title: .....  
Date: .....

By: .....  
Title: .....  
Date: .....



IN WITNESS WHEREOF the parties have signed this Annex as of the date first above written.

**SANTANDER UK PLC**

**ABBEY COVERED BONDS LLP**

By: .....

By: .....

Title: .....

Title: .....

Date: .....

Date: .....

By: .....

By: .....

Title: .....

Title: .....

Date: .....

Date: .....

**DEUTSCHE TRUSTEE COMPANY  
LIMITED**

By: .....

Title: .....

Date: 23 February 2024 .....

By: .....

Title: .....

Date: 23 February 2024 .....

## APPENDIX A

### Fitch Eligible Credit Support, Fitch Valuation Percentages and Fitch Credit Support Amount Matrices

The applicable Valuation Percentages in respect of Fitch (“**Fitch Valuation Percentages**”) shall be determined by reference to the table set out below or in relation to any type of Eligible Credit Support not listed in that table, such percentage as may be agreed between Party A and Party B from time to time provided that Fitch has confirmed that such percentage will not adversely affect the then current rating assigned to the Covered Bonds by Fitch:

Cash in the Base Currency:	100%
Cash in an Eligible Currency other than the Base Currency	100% multiplied by the relevant FX AR (as set out below)

#### **Fitch's Advance Rates (ARs) for Sovereign Bonds rated at least AA- and F1+**

Sovereign Bond Issuer Region	Sovereign Bond Maturity	Covered Bonds rated “AA-sf” or higher	Covered Bonds rated “A+sf” or lower
Australia and New Zealand	<1 year	98.5%	99.0%
Australia and New Zealand	1-3 years	97.0%	98.0%
Australia and New Zealand	3-5 years	94.5%	96.0%
Australia and New Zealand	5-7 years	92.0%	94.5%
Australia and New Zealand	7-10 years	89.0%	93.0%
Denmark and Sweden	<1 year	98.5%	99.0%
Denmark and Sweden	1-3 years	96.5%	97.5%
Denmark and Sweden	3-5 years	93.5%	95.5%
Denmark and Sweden	5-7 years	91.5%	94.5%
Denmark and Sweden	7-10 years	88.5%	92.5%
Eurozone	<1 year	98.5%	99.0%
Eurozone	1-3 years	96.5%	97.5%
Eurozone	3-5 years	93.5%	96.0%
Eurozone	5-7 years	91.5%	94.5%
Eurozone	7-10 years	89.5%	93.0%
Eurozone	10-30 years	75.0%	82.5%
Singapore	<1 year	97.5%	98.0%
Singapore	1-3 years	94.5%	95.5%
Singapore	3-5 years	91.5%	93.0%
Singapore	5-7 years	87.0%	89.0%
Singapore	7-10 years	81.5%	84.5%
Switzerland	<1 year	98.5%	99.0%
Switzerland	1-3 years	97.5%	98.0%
Switzerland	3-5 years	95.5%	97.0%
Switzerland	5-7 years	94.5%	96.0%
Switzerland	7-10 years	93.5%	95.5%
UK	<1 year	98.5%	99.0%
UK	1-3 years	96.5%	97.5%
UK	3-5 years	92.0%	94.5%
UK	5-7 years	91.0%	94.0%
UK	7-10 years	89.5%	93.0%
UK	10-30 years	80.0%	87.0%
US and Canada	<1 year	97.5%	98.0%

US and Canada	1-3 years	96.0%	97.0%
US and Canada	3-5 years	93.5%	94.5%
US and Canada	5-7 years	93.0%	94.0%
US and Canada	7-10 years	91.0%	92.5%
US and Canada	10-30 years	80.0%	87.0%

#### Fitch's ARs for Sovereign Bonds rated at least A and F1

Sovereign Issuer Region	Bond Maturity	Covered Bonds rated "AA-sf" or higher	Covered Bonds rated "A+sf" or lower or lower
Eurozone	<1 year	95.0%	96.5%
Eurozone	1-3 years	88.0%	92.0%
Eurozone	3-5 years	83.0%	88.5%
Eurozone	5-7 years	78.0%	85.5%
Eurozone	7-10 years	78.0%	85.5%
Eurozone	10-30 years	77.5%	85.0%
Japan	<1 year	99.0%	99.0%
Japan	1-3 years	97.0%	98.0%
Japan	3-5 years	94.5%	96.5%
Japan	5-7 years	92.0%	94.5%
Japan	7-10 years	87.5%	92.0%
Japan	10-30 years	71.0%	81.0%

FX Risk – FXAR		
	Highest rated Covered Bond AA- or higher	Highest rated Covered Bond A+ or lower
FX risk for currency pairs involving AUD, CAD, CHF, CZK, DKK, EUR, GBP, NOK, NZD, JPY, KRW, SEK, SGD and USD**	86.0%	90.5%

\*\* The FX AR will apply whenever a currency mismatch is present. In case sovereign bonds are not denominated in the Base Currency, both the AR for FX risk and the security AR will be multiplied. The FX ARs for currency pairs other than AUD, CAD, CHF, CZK, DKK, EUR, GBP, NOK, NZD, JPY, KRW, SEK, SGD and USD are not provided, but Fitch may publish these in the future.

## Fitch Credit Support Amount Matrices:

### Fitch Credit Support Amount Matrix 1

#### Long-Term Fitch Rating/Short-Term IDR of Fitch Relevant Entity

Issuer rating	'A-' or 'F2' or above	'BBB-' or 'F3' or above	Lower than 'BBB-' and 'F3'
'BBB+' and 'F2' and above	Base Formula	Fitch Formula 1	Fitch Formula 2
'BBB' or 'F3' or below	Base Formula	Fitch Formula 2	Fitch Formula 2

### Fitch Credit Support Amount Matrix 2

#### Long-Term Fitch Rating/Short-Term IDR of Fitch Relevant Entity

Issuer rating	'BBB+' or 'F2' or above	'BBB-' or 'F3' or above	Lower than 'BBB-' and 'F3'
'BBB+' and 'F2' and above	Base Formula	Fitch Formula 1	Fitch Formula 2
'BBB' or 'F3' or below	Base Formula	Fitch Formula 2	Fitch Formula 2

### Fitch Credit Support Amount Matrix 3

#### Long-Term Fitch Rating/Short-Term IDR of Fitch Relevant Entity

Issuer rating	'BBB-' or 'F3' or above	'BB+' or above	Less than 'BB+'
'BBB+' and 'F2' and above	Base Formula	Fitch Formula 1	Fitch Formula 2
'BBB' or 'F3' or below	Fitch Formula 1	Fitch Formula 2	Fitch Formula 2

### Fitch Credit Support Amount Matrix 4

#### Rating of Fitch Relevant Entity

Issuer rating	'BB-' or above	Lower than 'BB-'
'BBB+' and 'F2' or above	Fitch Formula 2	Fitch Formula 2

## APPENDIX B

**Moody's Eligible Credit Support, Moody's Valuation Percentages and Additional Trigger Collateral Amount Table**

“Moody's Valuation Percentage” means, the percentage in respect of each instrument in the applicable table below.

<b>Instrument</b>	<b>Valuation Percentage</b>
CHF Cash	100%
USD Cash	92%
EURO Cash	94%
GBP Cash	91%
CHF Denominated Fixed Rate Swiss Government Bonds with Remaining Maturity	
≤1 year	99%
>1 and ≤2	99%
>2 and ≤3	98%
>3 and ≤5	97%
>5 and ≤7	96%
>7 and ≤10	95%
>10 and ≤20	92%
>20	89%
US Dollar Denominated Fixed Rate Negotiable Debt issued by the US Treasury with Remaining Maturity	
≤1 Year	92%
>1 to ≤2 years	92%
>2 to ≤3 years	92%
>3 to ≤5 years	92%
>5 to ≤7 years	92%
>7 to ≤10 years	92%
>10 to ≤20 years	89%
>20 years	88%
EURO Denominated Fixed Rate Eurozone Government Bonds Rated Aa3 or above by Moody's with Remaining Maturity	
≤1 Year	95%
>1 to ≤2 years	95%
>2 to ≤3 years	95%
>3 to ≤5 years	95%
>5 to ≤7 years	95%

>7 to ≤10 years	95%
>10 to ≤20 years	93%
> 20 years	91%

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**Sterling Denominated Fixed Rate United Kingdom Gilts with Remaining Maturity**

≤1 Year	91%
>1 to ≤2 years	91%
>2 to ≤3 years	91%
>3 to ≤5 years	90%
>5 to ≤7 years	90%
>7 to ≤10 years	88%
>10 to ≤20 years	87%
> 20 years	87%

**Additional Trigger Collateral Amount Table:**

Swap Tenor (years)	Single Currency Swaps	Cross Currency Swaps
≤1	0.50%	6.10%
>1 and ≤2	1.00%	6.30%
>2 and ≤3	1.50%	6.40%
>3 and ≤4	1.90%	6.60%
>4 and ≤5	2.40%	6.70%
>5 and ≤6	2.80%	6.80%
>6 and ≤7	3.20%	7.00%
>7 and ≤8	3.60%	7.10%
>8 and ≤9	4.00%	7.20%
>9 and ≤10	4.40%	7.30%
>10 and ≤11	4.70%	7.40%
>11 and ≤12	5.00%	7.50%
>12 and ≤13	5.40%	7.60%
>13 and ≤14	5.70%	7.70%
>14 and ≤15	6.00%	7.80%
>15 and ≤16	6.30%	7.90%
>16 and ≤17	6.60%	8.00%
>17 and ≤18	6.90%	8.10%
>18 and ≤19	7.20%	8.20%
>19 and ≤20	7.50%	8.20%
>20 and ≤21	7.80%	8.30%
>21 and ≤22	8.00%	8.40%
>22 and ≤23	8.00%	8.50%
>23 and ≤24	8.00%	8.60%
>24 and ≤25	8.00%	8.60%
>25 and ≤26	8.00%	8.70%

>26 and ≤27	8.00%	8.80%
>27 and ≤28	8.00%	8.80%
>28 and ≤29	8.00%	8.90%
>29	8.00%	9.00%
Source: Exhibit 1 of Appendix 3 of the Moody's Criteria		

## APPENDIX C

### S&P Eligible Credit Support, S&P Valuation Percentages and S&P Volatility Buffers

#### S&P Eligible Credit Support and S&P Valuation Percentages:

Category Description	Eligible Credit Support	Valuation Percentage
<b>Cash</b>	Cash in the Base Currency	100%.
	Cash in an Eligible Currency other than the Base Currency	100% minus the relevant percentage specified in S&P Haircuts Table 1.
<b>Category 1</b>	Negotiable debt obligations denominated in the Base Currency by the government of an Eligible Sovereign, in each case denominated in the local currency of the relevant Eligible Sovereign, provided that in the case of zero-coupon bonds, such bonds will have a remaining term to maturity of less than one year.	100% minus the relevant percentage specified in S&P Haircuts Table 2.
	Negotiable debt obligations denominated in any currency other than the Base Currency by the government of an Eligible Sovereign, in each case denominated in the local currency of the relevant Eligible Sovereign, provided that in the case of zero-coupon bonds, such bonds will have a remaining term to maturity of less than one year.	The product of:  100% minus the relevant percentage specified in S&P Haircuts Table 2; and  100% minus the relevant percentage specified in S&P Haircuts Table 1 (if applicable).

For purposes of the above:

- (i) **“Eligible Sovereign”** means each of the following sovereigns that has a local currency sovereign rating at least as high as A from S&P:
  - (a) Australia;
  - (b) Austria;
  - (c) Belgium;
  - (d) Canada;
  - (e) Denmark;
  - (f) Finland;
  - (g) France;
  - (h) Germany;
  - (i) Hong Kong;
  - (j) Japan;



- (k) Netherlands;
- (l) Norway;
- (m) Singapore;
- (n) South Korea;
- (o) Sweden;
- (p) Switzerland;
- (q) the U.K.; and
- (r) the U.S.; and

(ii) “S&P Valuation Percentage” means, the percentage with respect to a Valuation Date and each instrument in the above table.

**S&P Haircuts Table 1:**

**Currency Haircuts Commensurate With Each Collateral Framework Assessment**

“S&P Strong”	“S&P Adequate” or “S&P Moderate”
20%	8%

**S&P Haircuts Table 2:**

**Market Value Haircuts Commensurate With Each Collateral Framework Assessment**

Remaining term to maturity (years)	[0; 1]	(1; 3]	(3; 5]	(5; 7]	(7; 10]	(10;15]	(15; 20]	>20
<b>Haircuts for “strong” collateral assessment (%)</b>								
Sovereigns	8.0	10.0	12.0	14.0	18.0	19.0	20.0	21.0
<b>Haircuts for “adequate” collateral assessment (%)</b>								
Sovereigns	5.0	5.0	7.0	7.0	8.0	8.0	9.0	10.0
<b>Haircuts for “moderate” collateral assessment (%)</b>								
Sovereigns	0.5	2.0	2.0	4.0	4.0	4.5	5.0	5.5

(i) The symbol ‘(’ denotes exclusion of the first data point in the range, and the symbol ‘]’ denotes the inclusion of the last data point in the range.

## S&P Volatility Buffers:

### Volatility Buffers For Interest Rate And Currency Derivatives

As a % of the derivative notional amount

Volatility buffers supporting a “strong” collateral framework      Volatility buffers supporting an “adequate” collateral framework

Remaining Weighted-average of swap life (years)(i)	Interest rate—fixed-floating	Interest rate—floating-floating	Cross-currency swap	Interest rate—fixed-floating	Interest rate swap—floating-floating	Cross-currency swap
[0;1]	2.0	2.0	14.0	1.0	1.0	6.0
(1;2]	4.0	2.5	14.5	2.0	1.0	6.0
(2;3]	6.0	2.5	14.5	2.5	1.0	6.0
(3;5]	8.5	3.0	15.0	3.5	1.5	7.0
(5;7]	10.0	3.5	16.5	4.0	2.0	7.5
(7;10]	12.0	4.0	18.0	5.0	2.0	7.5
(10;15]	14.0	4.5	21.0	6.0	3.0	8.0
(15;20]	14.5	5.0	22.5	6.5	3.5	9.0
Greater than 20	15.0	5.5	24.0	7.0	4.0	10.0

(i) The Symbol ‘(’ denotes exclusion of the first data point in the range, and the symbol ‘]’ denotes the inclusion of the last data point in the range