## TENTH SUPPLEMENTAL TRUST DEED

#### 26 APRIL 2016

relating to the €35 billion Global Covered Bond Programme

between

SANTANDER UK PLC as Issuer

and

ABBEY NATIONAL TREASURY SERVICES PLC as Original Issuer

and

ABBEY COVERED BONDS LLP as LLP

and

DEUTSCHE TRUSTEE COMPANY LIMITED as Bond Trustee and Security Trustee

modifying and restating the Trust Deed dated 3 June 2005 (as previously modified on 16 August 2005 and modified and/or restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 29 June 2012, 12 July 2013 and 25 June 2014)

**ALLEN & OVERY** 

Allen & Overy LLP

#### THIS TENTH SUPPLEMENTAL TRUST DEED is made on 26 April 2016.

#### **BETWEEN**:

- (1) **SANTANDER UK PLC** (formerly **ABBEY NATIONAL PLC**), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN acting in its capacity as the **Issuer**;
- (2) **ABBEY NATIONAL TREASURY SERVICES PLC**, a public limited company incorporated under the laws of England and Wales (with registered number 2338548) whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN acting in its capacity as the **Original Issuer**;
- (3) **ABBEY COVERED BONDS LLP**, a limited liability partnership incorporated with limited liability under the laws of England and Wales, whose principal place of business is at 2 Triton Square, Regent's Place, London NW1 3AN (the **LLP**); and
- (4) **DEUTSCHE TRUSTEE COMPANY LIMITED**, a company whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB (in its capacity as the bond trustee for the Covered Bondholders, the Receiptholders and the Couponholders, the **Bond Trustee** and in its capacity as the security trustee for the Secured Creditors, the **Security Trustee**, which expressions shall, wherever the context so admits, include such company and all other persons or companies for the time being the bond trustee or bond trustees or security trustee or security trustees of the trust presents).

#### **WHEREAS:**

(A) This tenth supplemental trust deed (the **Tenth Supplemental Trust Deed**) is supplemental to (i) the trust deed dated 3 June 2005 (hereinafter called the Principal Trust Deed) made between the parties hereto and relating to a global covered bond programme established by the Issuer (the **Programme**); (ii) the supplemental trust deed dated 16 August 2005 (the First Supplemental Trust Deed) between the parties hereto and which modified the provisions of the Principal Trust Deed; (iii) the second supplemental trust deed dated 4 October 2007 (the Second Supplemental Trust Deed) between the parties hereto and which further modified and restated the Principal Trust Deed; (iv) the third supplemental trust deed dated 20 May 2008 (the **Third Supplemental Trust Deed**) between the parties hereto and which further modified and restated the Principal Trust Deed; (v) the fourth supplemental trust deed dated 8 September 2009 (the Fourth Supplemental Trust Deed) between the parties hereto and which further modified and restated the Principal Trust Deed; (vi) the fifth supplemental trust deed dated 8 November 2010 (the Fifth Supplemental Trust Deed) between the parties hereto and which further modified and restated the Principal Trust Deed; (vii) the sixth supplemental trust deed dated 9 September 2011 (the Sixth Supplemental Trust Deed) between the parties hereto and which further modified and restated the Principal Trust Deed; (viii) the seventh supplemental trust deed dated 29 June 2012 (the Seventh Supplemental Trust Deed) between the parties hereto and which further modified and restated the Principal Trust Deed; (ix) the eighth supplemental trust deed dated 12 July 2013 (the Eighth Supplemental Trust Deed) between the parties hereto and which further modified the Principal Trust Deed; and (x) the ninth supplemental trust deed dated 25 June 2014 (the Ninth Supplemental Trust Deed and together with the Eighth Supplemental Trust Deed, the Seventh Supplemental Trust Deed, the Sixth Supplemental Trust Deed, the Fifth Supplemental Trust Deed, the Fourth Supplemental Trust Deed, the Third Supplemental Trust Deed, the Second Supplemental Trust Deed, the First Supplemental Trust Deed and the Principal Trust Deed, the Subsisting Trust Deeds) between the parties hereto and which further modified the Principal Trust Deed.

(B) Pursuant to clause 20.3 (Substitution) of the Principal Trust Deed and in accordance with Condition 14 (*Partial Payments*) and the terms of a deed of substitution, novation and amendment (the **Deed of Substitution, Novation and Amendment**) entered into between, among others, the parties hereto on the date hereof, Santander UK plc shall, on the Substitution Effective Date (as defined in the Deed of Substitution, Novation and Amendment), assume all the rights and obligations of Abbey National Treasury Services plc (the **Original Issuer**) as principal obligor and issuer under the Programme, including under the Programme Agreement, the Trust Deed and all other Transaction Documents, and in respect of all Series of Covered Bonds issued and to be issued, replacing the Original Issuer as principal obligor and issuer under the Programme.

# NOW THIS TENTH SUPPLEMENTAL TRUST DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED as follows:

- 1. SUBJECT as hereinafter provided and unless there is something in the subject matter or context inconsistent therewith, all words and expressions defined in the Subsisting Trust Deeds shall have the same meanings in this Tenth Supplemental Trust Deed.
- 2. Save in relation to all Series of Covered Bonds issued during the period up to and including the day last preceding the Substitution Effective Date and the date of any Covered Bonds issued after the Substitution Effective Date so as to be consolidated and form a single Series with any Covered Bonds issued prior to such date, with effect from the Substitution Effective Date:
  - (a) the Principal Trust Deed (as previously modified and restated) is further modified in such manner as would result in the Principal Trust Deed as so modified being in the form set out in the Schedule to this Tenth Supplemental Trust Deed; and
  - (b) the provisions of the Principal Trust Deed insofar as the same still have effect shall cease to have effect and in lieu thereof the provisions of the Principal Trust Deed as so modified (and being in the form set out in the Schedule hereto) shall have effect.
- 3. The Subsisting Trust Deeds and this Tenth Supplemental Trust Deed shall henceforth be read and construed together as one trust deed.
- 4. Notwithstanding the foregoing and the provisions of the Second Supplemental Trust Deed, the Third Supplemental Trust Deed, the Fourth Supplemental Trust Deed, the Fifth Supplemental Trust Deed, the Sixth Supplemental Trust Deed, the Seventh Supplemental Trust Deed, the Eighth Supplemental Trust Deed and the Ninth Supplemental Trust Deed:
  - (a) the modifications effected by the Second Supplemental Trust Deed shall not apply in relation to any Series of Covered Bonds issued during the period up to and including the day last preceding the date of the Second Supplemental Trust Deed and any Covered Bonds issued after the date thereof so as to be consolidated and form a single Series with any Covered Bonds issued prior to the date thereof;
  - (b) the modifications effected by the Third Supplemental Trust Deed shall apply in relation to all Series of Covered Bonds;
  - (c) the modifications effected by the Fourth Supplemental Trust Deed shall not apply in relation to any Series of Covered Bonds issued during the period up to and including the day last preceding the date of the Fourth Supplemental Trust Deed and any Covered Bonds issued after the date thereof so as to be consolidated and form a single Series with any Covered Bonds issued prior to the date thereof;

- (d) the modifications effected by the Fifth Supplemental Trust Deed shall not apply in relation to any Series of Covered Bonds issued during the period up to and including the day last preceding the date of the Fifth Supplemental Trust Deed and any Covered Bonds issued after the date thereof so as to be consolidated and form a single Series with any Covered Bonds issued prior to the date thereof;
- (e) the modifications effected by the Sixth Supplemental Trust Deed shall not apply in relation to any Series of Covered Bonds issued during the period up to and including the day last preceding the date of the Sixth Supplemental Trust Deed and any Covered Bonds issued after the date thereof so as to be consolidated and form a single Series with any Covered Bonds issued prior to the date thereof;
- (f) the modifications effected by the Seventh Supplemental Trust Deed shall not apply in relation to any Series of Covered Bonds issued during the period up to and including the day last preceding the date of the Seventh Supplemental Trust Deed and any Covered Bonds issued after the date thereof so as to be consolidated and form a single Series with any Covered Bonds issued prior to the date thereof;
- (g) the modifications effected by the Eighth Supplemental Trust Deed shall not apply in relation to any Series of Covered Bonds issued during the period up to and including the day last preceding the date of the Eighth Supplemental Trust Deed and any Covered Bonds issued after the date thereof so as to be consolidated and form a single Series with any Covered Bonds issued prior to the date thereof; and
- (h) the modifications effected by the Ninth Supplemental Trust Deed shall not apply in relation to any Series of Covered Bonds issued during the period up to and including the day last preceding the date of the Ninth Supplemental Trust Deed and any Covered Bonds issued after the date thereof so as to be consolidated and form a single Series with any Covered Bonds issued prior to the date thereof.
- 5. A memorandum of this Tenth Supplemental Trust Deed shall be endorsed by the Bond Trustee on the original of the Principal Trust Deed and by the Issuer on the duplicate of the Principal Trust Deed.
- 6. This Tenth Supplemental Trust Deed may be executed in counterparts, all of which, taken together, shall constitute one and the same Tenth Supplemental Trust Deed and any party may enter into this Tenth Supplemental Trust Deed by executing a counterpart.
- 7. This Tenth Supplemental Trust Deed is governed by, and shall be construed in accordance with English law. Any non-contractual matter, claim or dispute arising out of or in connection with this Tenth Supplemental Trust Deed is governed by, and shall be determined in accordance with, English law.
- 8. The provisions of clause 28 of the Principal Trust Deed as so modified (and being in the form set out in the Schedule hereto) shall be incorporated in this Tenth Supplemental Trust Deed as if set out in full in this Tenth Supplemental Trust Deed and as if references therein to "Trust Deed" were references to "Tenth Supplemental Trust Deed".

**IN WITNESS** whereof this Tenth Supplemental Trust Deed has been executed as a deed by the Issuer, the LLP, the Bond Trustee and the Security Trustee and entered into on the day and year above written.

#### **SIGNATORIES**

<b>SIGNED</b> as a <b>DEED</b> by
as attorney for
SANTANDER UK PLC

in its capacity as Issuer

in the presence of:

Witness:

Name: REBECCA NIND

Address: 2 TRITON SQUARE, REGENT'S PLACE, LONDON NWI JAN

**SIGNED** as a **DEED** by

as attorney for -

ABBEY NATIONAL TREASURY SERVICES PLC

in its capacity as Original Issuer

in the presence of

Witness:

Name: REBECCA NIND

Address: 2 TRITON SQUARE, REGENT'S PLACE, LONDON NWI SAN

**EXECUTED** as a **DEED** by **ABBEY COVERED BONDS LLP** 

acting by Abbey Covered Bonds (LM) Limited as a Member and Santander UK plc

Santander UK plc as a Member

in each case signed by their attorney

in the presence of:

Witness (for the attorney to Abbey Covered Bonds (LM) Limited):

Name: REBECCA NIND

Address: 2 TRITON SQUARE, REGENT'S PLACE, LONDON NUI JAN

Witness (for the attorney to Santander UK plc (as applicable)):

Name: REBECCA NIND

Address: 2 TRITON SQUARE, REGENT'S PLACE, LONDON NWI JAN

THE COMMON SEAL of DEUTSCHE TRUSTEE COMPANY	)
LIMITED in its capacities as Bond Trustee and	)
Security Trustee	)
was affixed to this deed in the presence of:	)
Associate Director:	

Associate Director:

A CONTRACTOR OF THE PARTY OF TH

Christopher English Associate Director

Robert Bebb Associate Director

#### **SCHEDULE 1**

# FORM OF MODIFIED AND RESTATED PRINCIPAL TRUST DEED

1 JUNE 2016

relating to a €35 billion Global Covered Bond Programme

between

SANTANDER UK PLC as Issuer

and

ABBEY COVERED BONDS LLP as LLP

and

**DEUTSCHE TRUSTEE COMPANY LIMITED** as Bond Trustee and Security Trustee

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#### **THIS TRUST DEED** is made on 1 June 2016.

#### **BETWEEN**:

- (1) **SANTANDER UK PLC** (formerly **ABBEY NATIONAL PLC**), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN acting in its capacity as the **Issuer**;
- (2) **ABBEY COVERED BONDS LLP**, a limited liability partnership incorporated with limited liability under the laws of England and Wales, whose principal place of business is at 2 Triton Square, Regent's Place, London NW1 3AN (the **LLP**); and
- (3) **DEUTSCHE TRUSTEE COMPANY LIMITED**, a company whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB (in its capacity as the bond trustee for the Covered Bondholders, the Receiptholders and the Couponholders, the **Bond Trustee** and in its capacity as the security trustee for the Secured Creditors, the **Security Trustee**, which expressions shall, wherever the context so admits, include such company and all other persons or companies for the time being the bond trustee or bond trustees or security trustee or security trustees of the trust presents).

#### WHEREAS:

- (A) Pursuant to the Deed of Substitution, Novation and Amendment and to the trust presents, the Issuer was substituted in replacement of Abbey National Treasury Services plc as issuer of the Covered Bonds on 1 June 2016 on the terms applicable to each Series of Covered Bonds then existing and all Series of Covered Bonds to be issued on or after that date.
- (B) By resolutions of the board of directors of the Issuer dated 23 June 2015 and 29 March 2016, continuation and operation of a global covered bond programme (the **Programme**) pursuant to which the Issuer may from time to time issue Covered Bonds as set out herein was duly confirmed and authorised. Covered Bonds up to a maximum nominal amount (calculated in accordance with Clause 3 of the Programme Agreement) from time to time outstanding of €35 billion (or its equivalent in other currencies) (subject to increase as provided in the Programme Agreement) (the **Programme Limit**) may be issued pursuant to the Programme.
- (C) By resolutions of the LLP Management Board dated on or around 25 April 2016, the LLP has resolved to guarantee the payment of the Guaranteed Amounts in respect of the Covered Bonds on the terms set out herein.
- (D) The Bond Trustee has agreed to act as bond trustee of the trust presents for the benefit of the Covered Bondholders, the Receiptholders and the Couponholders upon and subject to the terms and conditions of the trust presents.

#### NOW THIS TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

#### 1. DEFINITIONS AND INTERPRETATIONS

1.1 (a) All references in the trust presents to principal and/or principal amount and/or interest in respect of the Covered Bonds or to any moneys payable by the Issuer or the LLP under the trust presents shall, unless the context otherwise requires, be construed in accordance with Condition 5.7 (*Payments – Interpretation of principal and interest*) (in the case of any Covered Bond other than an N Covered Bond) and in accordance with the N Covered Bond Conditions and the N Covered Bond (in the case of any N Covered Bond).

- (b) All references in the trust presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available and reasonably appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in the trust presents.
- (c) All references in the trust presents to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits (but not in the case of any NGCB), be deemed to include references to any additional or alternative clearing system as is approved by the Issuer, the Principal Paying Agent and the Bond Trustee or as may otherwise be specified in the applicable Final Terms Document.
- (d) Unless the context otherwise requires words or expressions used in the trust presents shall bear the same meanings as in the Companies Act.
- (e) All references in the trust presents to the **records** of Euroclear and Clearstream, Luxembourg shall be to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers' interest in the Covered Bonds.
- (f) In this Trust Deed references to Schedules, Clauses, paragraphs and sub-paragraphs shall be construed as references to the Schedules to this Trust Deed and to the Clauses, paragraphs and sub-paragraphs of this Trust Deed respectively.
- 1.2 The master definitions and construction agreement made between, *inter alios*, the parties to this Trust Deed on 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011 and 24 December 2012, as amended on 12 July 2013 pursuant to a Deed of Amendment and Termination and as amended and restated on 23 June 2015 and 1 June 2016 (as the same may be further amended, varied and/or supplemented from time to time, the **Master Definitions and Construction Agreement**) is expressly and specifically incorporated into this Trust Deed and, accordingly, the expressions defined in the Master Definitions and Construction Agreement (as so amended, varied and/or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Trust Deed, including the recitals hereto and this Trust Deed shall be construed in accordance with the interpretation provisions set out in clause 2 of the Master Definitions and Construction Agreement. In the event of inconsistency between the Master Definitions and Construction Agreement and the trust presents, the trust presents shall prevail.
- 1.3 All references in the trust presents to the **relevant currency** shall be construed as references to the currency in which payments in respect of the Covered Bonds, Receipts and/or Coupons of the relevant Series are to be made as indicated in the applicable Final Terms Document.
- All references in the trust presents to Covered Bonds having a **listing** or being **listed** on a Stock Exchange shall, in relation to the London Stock Exchange, be construed to mean that such Covered Bonds have been admitted to the Official List by the UK Listing Authority and admitted to trading on the London Stock Exchange's Regulated Market and all references in the trust presents to **listing** and **listed** shall include references to **quotation** and **quoted** respectively.
- 1.5 The Bond Trustee shall rely on the Register maintained by the N Covered Bond Registrar for the determination of the principal amount outstanding of each N Covered Bond.

#### 2. AMOUNT AND ISSUE OF THE COVERED BONDS

#### 2.1 Amount of the Covered Bonds, Final Terms Documents and Legal Opinions

The Covered Bonds will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time and for the purpose of determining such aggregate nominal amount clause 3 of the Programme Agreement shall apply.

In the case of all Covered Bonds (other than N Covered Bonds), by not later than 3.00 p.m. (London time) on the second Business Day preceding each proposed Issue Date, the Issuer shall deliver or cause to be delivered to the Bond Trustee and the Security Trustee a copy of the applicable Final Terms Document and drafts of all (if any) legal opinions to be given in relation to the relevant issue and shall notify the Bond Trustee and the Security Trustee in writing without delay of the relevant Issue Date and the nominal amount of the Covered Bonds to be issued. Upon the issue of the relevant Covered Bonds, such Covered Bonds shall become constituted by the trust presents without further formality. The N Covered Bonds shall be issued in accordance with Clause 3.4 (N Covered Bonds) and upon execution and authentication thereof in accordance with Clause 3.3(c) and following the execution of an N Covered Bond Agreement, such N Covered Bonds shall be constituted by the trust presents without further formality.

Before the first issue of Covered Bonds occurring after each anniversary of this Trust Deed and on such other occasions as the Bond Trustee so requests (on the basis that the Bond Trustee considers it necessary in view of a change (or proposed change) in English law materially affecting the Issuer or the LLP, the trust presents, the Programme Agreement, the Agency Agreement or the Deed of Charge or the Bond Trustee has other reasonable grounds which shall not include the mere lapse of time), the Issuer or, as the case may be, the LLP will procure that further legal opinion(s) (relating, if applicable, to any such change or proposed change) in such form and with such content as the Bond Trustee may reasonably require from the legal advisers specified in the Programme Agreement or such other legal advisers as the Bond Trustee shall approve is/are delivered to the Bond Trustee and the Security Trustee. Whenever such a request is made with respect to any Covered Bonds to be issued, the receipt of such opinion(s) in a form satisfactory to the Bond Trustee shall be a further condition precedent to the issue of those Covered Bonds.

#### 2.2 Covenant to repay principal and to pay interest

The Issuer covenants with the Bond Trustee that it shall, as and when the Covered Bonds of any Series or any of them or any instalment of principal in respect thereof becomes due to be redeemed, or on such earlier date as the same or any part thereof may become due and repayable thereunder, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Bond Trustee in the relevant currency in immediately available funds the Principal Amount Outstanding in respect of the Covered Bonds of such Series or the amount of such instalment becoming due for redemption on that date and (except in the case of Zero Coupon Covered Bonds) shall in the meantime and until redemption in full of the Covered Bonds of such Series (both before and after any decree, judgment or other order of a court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Bond Trustee as aforesaid interest (which shall accrue from day to day) on the Principal Amount Outstanding of the Covered Bonds outstanding of such Series at rates and/or in amounts calculated from time to time in accordance with, or specified in, and on the dates provided for in, the Conditions (subject to Clause 2.4); PROVIDED THAT:

(a) except for Excess Proceeds, every payment (whether by the Issuer or the LLP) of principal or interest or other sum due in respect of the Covered Bonds made to or to the order of the Principal Paying Agent or, in the case of N Covered Bonds, of the N Covered Bond Paying Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the relative covenant by the Issuer contained in this Clause 2 and (as the case may be) by the

LLP under the Covered Bond Guarantee in relation to the Covered Bonds of such Series except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Covered Bondholders, Receiptholders or Couponholders (as the case may be) and (in the case of the LLP only) where such payment by the LLP has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the Covered Bondholders;

- (b) every payment of Excess Proceeds in accordance with Condition 9.1 (*Issuer Events of Default*) and Clause 11.2 to or to the order of the Bond Trustee shall be in satisfaction (for the benefit of the Issuer only and not the LLP) *pro tanto* of the relative covenant by the Issuer contained in this Clause 2 in respect of the Excess Proceeds which are due and payable in relation to the Covered Bonds of such Series (but as provided in Clause 11.2, shall not do so for the purposes of the subrogation rights of the LLP contemplated by Clause 7.7 and shall not reduce or discharge any obligations of the LLP);
- (c) in the case of any payment of principal which is not made to the Bond Trustee or the Principal Paying Agent or, in the case of N Covered Bonds, the N Covered Bond Paying Agent on or before the due date or which is made on or after accelerated maturity following an Issuer Event of Default or LLP Event of Default, interest shall continue to accrue on the Principal Amount Outstanding of the relevant Covered Bonds in accordance with Condition 6.12 (*Late Payment*);
- (d) in any case where payment of the whole or any part of the principal amount of any Covered Bond is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by (c) above) interest shall accrue on the Principal Amount Outstanding of such Covered Bond payment of which has been so withheld or refused in accordance with Condition 6.12 (*Late Payment*).

The Bond Trustee will hold the benefit of this covenant on trust for the Covered Bondholders, the Receiptholders and the Couponholders and itself in accordance with the trust presents.

#### 2.3 Bond Trustee's requirements regarding Paying Agents etc

- (a) At any time after an Issuer Event of Default or Potential Issuer Event of Default shall have occurred or the Bond Trustee shall have received any money from the Issuer which it proposes to pay under Clause 11 (*Application of Moneys*) to the relevant Covered Bondholders, Receiptholders and/or Couponholders, the Bond Trustee may:
  - (i) by notice in writing to the Issuer, the LLP, the Principal Paying Agent, the N Covered Bond Paying Agent, the other Paying Agents, the Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent, the Transfer Agents and/or the N Covered Bond Transfer Agent require the Principal Paying Agent, the N Covered Bond Paying Agent, the other Paying Agents, the Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent, the Transfer Agents and/or the N Covered Bond Transfer Agent pursuant to the Agency Agreement:
    - (A) to act thereafter as Principal Paying Agent, N Covered Bond Paying Agent, Paying Agent, Registrar, N Covered Bond Registrar, Exchange Agent, Calculation Agent, Transfer Agent and/or N Covered Bond Transfer Agent respectively of the Bond Trustee in relation to payments of such moneys to be made by or on behalf of the Bond Trustee under the terms of the trust presents *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Principal Paying Agent, the N Covered Bond Paying Agent,

the other Paying Agents, the Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent, the Transfer Agents and the N Covered Bond Transfer Agent shall be limited to the amounts for the time being held by the Bond Trustee on the trusts of the trust presents relating to the Covered Bonds of the relevant Series and the relative Receipts and Coupons and available for such purpose) and thereafter to hold all Covered Bonds, Receipts, Coupons and Talons and all sums, documents and records held by them in respect of Covered Bonds, Receipts, Coupons and Talons on behalf of the Bond Trustee; or

- (B) to deliver up all Covered Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of the Covered Bonds, Receipts and Coupons to the Bond Trustee or as the Bond Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the Principal Paying Agent, the N Covered Bond Paying Agent, the relevant Paying Agent, the Registrar, the N Covered Bond Registrar, the Exchange Agent, the relevant Transfer Agent and/or the N Covered Bond Transfer Agent is obliged not to release by any law or regulation; and/or
- (ii) by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Covered Bonds, Receipts and Coupons to or to the order of the Bond Trustee and not to the Principal Paying Agent or the N Covered Bond Paying Agent and with effect from the issue of any such notice to the Issuer and until such notice is withdrawn proviso (a) to Clause 2.2 relating to the Covered Bonds shall cease to have effect in respect of the Issuer.
- (b) At any time after an LLP Event of Default or Potential LLP Event of Default shall have occurred or the Bond Trustee shall have received any money from the LLP which it proposes to pay under Clause 11 to the relevant Covered Bondholders, Receiptholders and/or Couponholders, the Bond Trustee may:
  - (i) by notice in writing to the Issuer, the LLP, the Principal Paying Agent, the N Covered Bond Paying Agent, the other Paying Agents, the Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent, the Transfer Agents and/or the N Covered Bond Transfer Agent require the Principal Paying Agent, the N Covered Bond Paying Agent, the other Paying Agents, the Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent, the Transfer Agents and/or N Covered Bond Transfer Agent pursuant to the Agency Agreement to:
    - (A) act thereafter as Principal Paying Agent, N Covered Bond Paying Agent, Paying Agent, Registrar, N Covered Bond Registrar, Exchange Agent, Calculation Agent, Transfer Agent and/or N Covered Bond Transfer Agent respectively of the Bond Trustee in relation to payments of such moneys to be made by or on behalf of the Bond Trustee under the terms of the trust presents mutatis mutandis on the terms provided in the Agency Agreement (save that the Bond Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-ofpocket expenses of the Principal Paying Agent, the N Covered Bond Paying Agent, the other Paying Agents, the Registrar, the N Covered Bond Registrar, the Exchange Agent, the Calculation Agent, the Transfer Agents and the N Covered Bond Transfer Agent shall be limited to the amounts for the time being held by the Bond Trustee on the trusts of the trust presents relating to the Covered Bonds of the relevant Series and available for such purpose) and thereafter to hold all Covered Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of Covered Bonds, Receipts and Coupons on behalf of the Bond Trustee; or

- (B) to deliver up all Covered Bonds, Receipts and Coupons and all sums, documents and records held by them in respect of the Covered Bonds, Receipts and Coupons to the Bond Trustee or as the Bond Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the Principal Paying Agent, the N Covered Bond Paying Agent, the relevant Paying Agent, the Registrar, the N Covered Bond Registrar, the Exchange Agent, the relevant Transfer Agent and/or the N Covered Bond Transfer Agent is obliged not to release by any law or regulation; and/or
- (ii) by notice in writing to the LLP require it to make all subsequent payments in respect of the Covered Bonds, Receipts and Coupons to or to the order of the Bond Trustee and not to the Principal Paying Agent or the N Covered Bond Paying Agent and with effect from the issue of any such notice to the LLP and until such notice is withdrawn proviso (a) to Clause 2.2 relating to the Covered Bonds shall cease to have effect.
- 2.4 If the Floating Rate Covered Bonds of any Series become immediately due and repayable following an Issuer Event of Default or an LLP Event of Default, the rate and/or amount of interest payable in respect of them will be calculated by the Principal Paying Agent, the N Covered Bond Paying Agent, and/or the Calculation Agent (as the case may be), in each case, at the same intervals as if such Covered Bonds had not become due and repayable, the first of such period which will commence on the expiry of the Interest Period during which the Covered Bonds of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of Condition 4 except that the rates of interest need not be published.

#### 2.5 Currency of payments

All payments of any amounts due in respect of, under and in connection with the trust presents and the Covered Bonds of any Series to the relevant Covered Bondholders, Receiptholders and Couponholders shall be made in the relevant currency all in accordance with the Conditions and converted at the relevant Covered Bond Swap Rate (if necessary).

#### 2.6 Further Covered Bonds

The Issuer shall be at liberty from time to time (but subject always to the provisions of the trust presents) without the consent of the Covered Bondholders, Receiptholders or Couponholders to create and issue further Covered Bonds (whether in bearer or registered form) having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single series with the outstanding Covered Bonds of such Series, provided that if such further Covered Bonds have a greater amount of original issue discount than the outstanding Covered Bonds of such original series have as of the date of the issue of such further Covered Bonds, such further Covered Bonds will have a separate CUSIP number.

#### 2.7 Separate Series

Subject to the provisions of the next sentence, the Covered Bonds of each Series shall form a separate Series of Covered Bonds and accordingly, unless for any purpose the Bond Trustee in its absolute discretion shall otherwise determine, the provisions of this sentence and of Clauses 3 (Forms of the Covered Bonds) to 22 (Exchange Rate Indemnity) (both inclusive) and Clause 24 (Separate and Co-Trustees) and Schedule 4 shall apply mutatis mutandis separately and independently to the Covered Bonds of each Series. However, for the purposes of Condition 9 (Events of Default, Acceleration and Enforcement), Condition 14 (Meetings of Covered Bondholders, Modification, Waiver and Substitution) (insofar as it relates to a Programme Resolution), Clauses 10.1, 17(m), 23 (New Bond Trustee) and 25 (Bond Trustee's Retirement and

Removal) and (insofar as it relates to Condition 9 (Events of Default, Acceleration and Enforcement) or to a Programme Resolution or to Clauses 10.1, 23 (New Bond Trustee) or 25 (Bond Trustee's Retirement and Removal)) Schedule 4, the Covered Bonds of all Series shall be deemed to constitute a single Series and the provisions of such Conditions and Clauses shall apply to all the Covered Bonds together as if they constituted a single Series. In such Clauses and Schedule the expressions Covered Bonds, Covered Bondholders, Receipts, Receiptholders, Coupons, Couponholders, Talons and Talonholders shall be construed accordingly.

#### 3. FORMS OF THE COVERED BONDS

#### 3.1 Bearer Global Covered Bonds

- The Bearer Covered Bonds of each Tranche will initially be represented by a single Temporary (a) Global Covered Bond or a single Permanent Global Covered Bond, as indicated in the applicable Final Terms Document. Each Temporary Global Covered Bond shall be exchangeable, upon a request as described therein, for either Bearer Definitive Covered Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Covered Bonds) Coupons and where applicable, Talons attached, or a Permanent Global Covered Bond, in each case in accordance with the provisions of such Temporary Global Covered Bond. Each Permanent Global Covered Bond shall be exchangeable for Definitive Covered Bonds together with, where applicable, Receipts and (except in the case of Zero Coupon Covered Bonds) Coupons and, where applicable, Talons attached, in accordance with the provisions of such Permanent Global Covered Bond. All Bearer Global Covered Bonds shall be prepared, completed and delivered to a common depositary (in the case of a CGCB) or a common safekeeper (in the case of a NGCB) for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Programme Agreement or to another appropriate depositary as may be approved by the Bond Trustee in accordance with any other agreement between the Issuer and the relevant Dealer(s) and, in each case, the Agency Agreement.
- (b) Each Temporary Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 1 of Schedule 2 and may be a facsimile. Each Temporary Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms Document and shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent and shall, in the case of a Eurosystem-eligible NGCB be effectuated by the common safekeeper acting on the instructions of the Principal Paying Agent. Each Temporary Global Covered Bond so executed and authenticated shall be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the LLP and title to such Temporary Global Covered Bond shall pass by delivery.
- (c) Each Permanent Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 2 of Schedule 2 and may be a facsimile. Each Permanent Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms Document and shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent and shall, in the case of a Eurosystem-eligible NGCB be effectuated by the common safekeeper acting on the instructions of the Principal Paying Agent. Each Permanent Global Covered Bond so executed and authenticated shall be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the LLP and title to such Permanent Global Covered Bond shall pass by delivery.

#### 3.2 Registered Global Covered Bonds

(a) Unless otherwise set forth in the applicable Final Terms Document, Registered Global Covered Bonds of a Series that are initially offered and sold in the United States in reliance on Rule 144A

under the Securities Act as provided in the Programme Agreement shall be represented by a Rule 144A Global Covered Bond and Registered Covered Bonds of a Series that are initially offered and sold in offshore transactions in reliance on Regulation S under the Securities Act as provided in the Programme Agreement shall be represented by a Regulation S Global Covered Bond. The Registered Global Covered Bonds shall be (i) deposited with a custodian for, and registered in the name of a nominee of, DTC or (ii) deposited with, and registered in the name of a common nominee of a common depositary for Euroclear and Clearstream Luxembourg. Beneficial interests in the Registered Global Covered Bonds will be shown on, and exchanges and transfers thereof will be effected only through, records maintained by DTC and its Participants, Euroclear and Clearstream, Luxembourg. Until the expiration of the Distribution Compliance Period, beneficial interests in any Regulation S Global Covered Bond may be held only by or through agent members of Euroclear and Clearstream, Luxembourg, unless delivery is made in the form of a beneficial interest in a Rule 144A Global Covered Bond of the same Series in accordance with the certification requirements described in the Agency Agreement. Title to the Registered Covered Bonds will pass upon registration of transfers in accordance with the provisions of the Agency Agreement.

- (b) Registered Covered Bonds represented by the Registered Global Covered Bonds shall be exchangeable and transferable only in accordance with, and subject to, the provisions of the Registered Global Covered Bonds and the Agency Agreement and the rules and operating procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, including the requirement that all Registered Definitive Covered Bonds issued in exchange for a Rule 144A Global Covered Bond shall bear a legend in the form or substantially in the form as that set out on the Rule 144A Global Covered Bond.
- (c) Each Registered Global Covered Bond shall be printed or typed in the form or substantially in the form set out in Part 7 of Schedule 2 and may be a facsimile. Each Registered Global Covered Bond shall have annexed thereto a copy of the applicable Final Terms Document and shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar. Each Registered Global Covered Bond so executed and authenticated shall be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the LLP.

#### 3.3 Bearer Definitive Covered Bonds and Registered Definitive Covered Bonds

- (a) The Bearer Definitive Covered Bonds, Receipts, Coupons and Talons shall be to bearer in the respective forms or substantially in the respective forms set out in Part 3, Part 4, Part 5 and Part 6, respectively, of Schedule 2. The Bearer Definitive Covered Bonds, Receipts, Coupons and Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange (if any). The relevant Conditions may be incorporated by reference into such Bearer Definitive Covered Bonds or, if not so permitted by the relevant Stock Exchange (if any), the Bearer Definitive Covered Bonds shall be endorsed with or have attached thereto the relevant Conditions and, in either such case, the Bearer Definitive Covered Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms Document (or the relevant provisions thereof). Title to the Bearer Definitive Covered Bonds, Receipts, Coupons and Talons shall pass by delivery.
- (b) Except with respect to N Covered Bonds, which shall be issued in accordance with Clause 3.4 (*N Covered Bonds*), the Registered Definitive Covered Bonds shall be in registered form and shall be issued in the form or substantially in the form set out in Part 8 of Schedule 2, shall be serially numbered, shall be endorsed with a legend substantially in the same form as that set out on the Rule 144A Global Covered Bond (in the case of those issued in exchange for the Rule 144A Global Covered Bond) and a Form of Transfer and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange (if any). The relevant Conditions may be incorporated by reference (where applicable to the trust presents)

into such Registered Definitive Covered Bonds, or, if not so permitted by the relevant Stock Exchange (if any), the Registered Definitive Covered Bonds shall be endorsed with or have attached thereto the relevant Conditions and, in either such case, the Registered Definitive Covered Bonds shall have endorsed thereon or attached thereto a copy of the applicable Final Terms Document (or the relevant provisions thereof). Title to the Registered Definitive Covered Bonds shall pass upon the registration of transfers in the Register kept by the Registrar in respect thereof in accordance with the provisions of the relevant Agency Agreement and the trust presents.

(c) The Definitive Covered Bonds (including, for the avoidance of doubt, N Covered Bonds) shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent (in the case of the Bearer Definitive Covered Bonds) or the Registrar (in the case of Registered Definitive Covered Bonds which are not N Covered Bonds) or the N Covered Bond Registrar (in the case of Registered Definitive Covered Bonds which are N Covered Bonds). The Definitive Covered Bonds so executed and authenticated, and Receipts, Coupons and Talons, upon execution and authentication of the relevant Bearer Definitive Covered Bonds, shall be binding and valid obligations of the Issuer and the Covered Bond Guarantee in respect thereof shall be binding and valid obligations of the LLP. The Receipts, Coupons and Talons shall not be signed. No Definitive Covered Bond and none of the Receipts, Coupons or Talons appertaining to a Bearer Definitive Covered Bond shall be binding or valid until the relevant Definitive Covered Bond shall have been executed and authenticated as aforesaid.

#### 3.4 N Covered Bonds

- (a) N Covered Bonds shall be issued substantially in the form set out in Schedule 1 to this Trust Deed, in the name of the Initial N Covered Bondholder and with the applicable N Covered Bond Conditions annexed as Schedule 1 thereto and the Form of the Assignment and Accession Agreement annexed as Schedule 2 thereto. Each issuance of N Covered Bonds shall take the form of a Series of N Covered Bonds and shall be issued separately to the Initial N Covered Bondholder and not by way of uniform issue subdivided into identical N Covered Bonds. Each N Covered Bond, in the case of the N Covered Bonds executed and authenticated in accordance with Clause 3.3(c), shall constitute the binding and valid obligation of the Issuer and the Covered Bond Guarantee in respect thereof shall be a binding and valid obligation of the LLP.
- (b) Each N Covered Bond shall only be transferable, in accordance with the N Covered Bond Conditions, by way of delivery to the N Covered Bond Registrar of a duly completed and executed N Covered Bond Assignment and Accession Agreement relating to such N Covered Bond executed by the transferee or, in the case of transfer in part, entered into by the transferee. Subject to the foregoing, the claims and rights under the N Covered Bond and title to the certificate will pass upon the entry of the new N Covered Bondholder in the Register.

#### 3.5 Facsimile signatures

The Issuer may use the facsimile signature of any person who at the date such signature is affixed to a Covered Bond is duly authorised by the Issuer notwithstanding that at the time of issue of any of the Covered Bonds he may have ceased for any reason to be the holder of such office or be so authorised.

#### 3.6 Persons to be treated as Covered Bondholders

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Principal Paying Agent, the N Covered Bond Paying Agent, the other Paying Agents, the N Covered Bond Registrar, the Registrar, the Exchange Agent, the Transfer Agents and the N Covered Bond Transfer Agent (notwithstanding any notice to the contrary

and whether or not it is overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) may:

- (a) (i) for the purpose of making payment thereon or on account thereof deem and treat the bearer of any Bearer Global Covered Bond, Bearer Definitive Covered Bond, Receipt, Coupon or Talon and the registered holder of any Registered Definitive Covered Bond (including for the avoidance of doubt any N Covered Bond); and
  - (ii) for the purpose of making payment thereon or on account thereof and, with respect to a Registered Global Covered Bond held through DTC, voting, giving consents and making requests pursuant to the trust presents, deem and treat the registered holder of any Registered Global Covered Bond,

as the absolute owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the bearer or, as the case may be, registered holder; and

- (b) for all other purposes deem and treat:
  - (i) the bearer of any Bearer Definitive Covered Bond, Receipt, Coupon or Talon and the registered holder of any Registered Definitive Covered Bond (including for the avoidance of doubt any N Covered Bond); and
  - (ii) each person for the time being shown in the records of Euroclear or Clearstream, Luxembourg or, as the case may be, DTC (except in the case of a NGCB), or such other additional or alternative clearing system approved by the Issuer, the Bond Trustee and the Principal Paying Agent, as having a particular nominal amount of Covered Bonds credited to his securities account,

as the absolute owner thereof free from all encumbrances and shall not be required to obtain either (A) proof of such ownership, other than, in the case of any person for the time being so shown in such records, a certificate or letter of confirmation signed on behalf of Euroclear, Clearstream, Luxembourg or DTC or any other form of record (including any certificate or other document which may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified together with the amount of such holding) made by any of them or (B) proof of the identity of the bearer of any Bearer Global Covered Bond, Bearer Definitive Covered Bond, Receipt, Coupon or Talon or the registered holder of any Registered Global Covered Bond or Registered Definitive Covered Bond.

#### 3.7 Certificates of Euroclear and Clearstream, Luxembourg and DTC

Without prejudice to the provisions of Clause 17(ff), the Issuer, the LLP and the Bond Trustee may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof a certificate or letter of confirmation issued on behalf of Euroclear, Clearstream, Luxembourg or DTC or any form of record (including any certificate or other document which may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified together with the amount of such holding) made by any of them or such other form of evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular

period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Covered Bonds represented by a Global Covered Bond and, if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

#### 4. FEES, DUTIES AND TAXES

The Issuer shall pay any stamp, issue, registration, documentary and other fees, duties or taxes of a similar nature (if any), including interest and penalties (but excluding any interest or penalties arising by reason of any act or omission of the Bond Trustee or any Covered Bondholder, Receiptholder or Couponholder that is done or omitted to be done other than pursuant to the terms of the trust presents), payable (a) in the United Kingdom, Belgium or Luxembourg on or in connection with (i) the execution and delivery of the trust presents and (ii) the constitution and original issue of the Covered Bonds, the Receipts and the Coupons and the creation of the Security and (b) in any jurisdiction on or in connection with any action taken by or on behalf of the Bond Trustee or (where permitted under the trust presents so to do) any Covered Bondholder, Receiptholder or Couponholder to enforce the trust presents or to resolve any doubt concerning, or for any other purpose in relation to, the trust presents.

#### 5. COVENANT OF COMPLIANCE

Each of the Issuer and the LLP covenants with the Bond Trustee that it will comply with and perform and observe all the provisions of the trust presents and the Deed of Charge which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the LLP, the Covered Bondholders, the Receiptholders and the Couponholders. The Bond Trustee shall be entitled to enforce the obligations of the Issuer and the LLP under the Covered Bonds, the Receipts, the Coupons and the Conditions in the manner therein provided as if the same were set out and contained in this Trust Deed, which shall be read and construed as one document with the Covered Bonds, the Receipts and the Coupons. The Bond Trustee shall hold the benefit of this covenant upon trust for itself and the Covered Bondholders, the Receiptholders and the Couponholders according to its and their respective interests.

#### 6. CANCELLATION OF COVERED BONDS AND RECORDS

- 6.1 The Issuer shall procure that (a) all Covered Bonds issued by it and which (i) are redeemed, (ii) are purchased by or on behalf of the Issuer or any of its respective Subsidiaries (including the LLP) and surrendered for cancellation, (iii) being mutilated or defaced and which have been surrendered and replaced pursuant to Condition 10 (*Replacement of Covered Bonds, Receipts, Coupons and Talons*) of the Programme Conditions (in respect of Covered Bonds which are not N Covered Bonds) or Condition 12 (*Replacement of Certificate*) of the N Covered Bond Conditions (in the case of N Covered Bonds), or (iv) are exchanged as provided in the trust presents (together in the case of Bearer Definitive Covered Bonds, with all unmatured Receipts and Coupons attached thereto or delivered therewith); (b) in the case of Bearer Definitive Covered Bonds, all relative Receipts and Coupons which have been paid in accordance with the relevant Conditions or which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 10 (*Replacement of Covered Bonds, Receipts, Coupons and Talons*) of the Programme Conditions and (c) all Talons which have been exchanged for further Coupons or Receipts, shall forthwith be cancelled by or on behalf of the Issuer and a certificate signed by two Directors of the Issuer stating:
  - (a) the aggregate principal amount of Covered Bonds which have been redeemed and the amounts paid in respect thereof and the aggregate amounts which have been paid in respect of Receipts and Coupons;

- (b) the serial numbers of such Covered Bonds in definitive form distinguishing between Bearer Covered Bonds and Registered Covered Bonds;
- (c) the total numbers (where applicable, of each denomination) by maturity date of such Receipts and Coupons;
- (d) the aggregate amount of interest paid (and the due dates of such payments) on Global Covered Bonds;
- (e) the aggregate nominal amount of Covered Bonds (if any) which have been purchased by or on behalf of the Issuer or any of its respective Subsidiaries (including the LLP) and cancelled and the serial numbers of such Covered Bonds in definitive form and, in the case of Bearer Definitive Covered Bonds, the total number (where applicable, of each denomination) by maturity date of the Receipts, Coupons and Talons attached thereto or surrendered therewith;
- (f) the aggregate nominal amounts of Covered Bonds and Receipts and the aggregate amounts in respect of Coupons which have been so exchanged or surrendered and replaced and the serial numbers of such Covered Bonds in definitive form and the total number (where applicable, of each denomination) by maturity date of such Coupons and Receipts;
- (g) the total number (where applicable, of each denomination) by maturity date of the unmatured Coupons missing from Bearer Definitive Covered Bonds bearing interest at a fixed rate which have been redeemed or exchanged or surrendered and replaced and the serial numbers of the Bearer Definitive Covered Bonds to which such missing unmatured Coupons appertained; and
- (h) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons or Receipts,

shall be given to the Bond Trustee by or on behalf of the Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, payment, exchange or replacement (as the case may be). The Bond Trustee may accept such certificate as conclusive evidence of redemption, purchase or replacement *pro tanto* of the Covered Bonds, Coupons or Receipts (if any) or payment of principal or interest (as the case may be) thereon or exchange of the relative Talons respectively and of cancellation of the relative Covered Bonds, Receipts and Coupons.

Subject to the paragraph below, the Issuer shall procure that (i) the Principal Paying Agent or, in the case of N Covered Bonds, the N Covered Bond Paying Agent shall keep a full and complete record of all Covered Bonds, Receipts, Coupons and Talons issued by it and of their redemption or purchase by or on behalf of the Issuer or any of its respective Subsidiaries (including the LLP), any cancellation or any payment or exchange (as the case may be) of such Covered Bonds, Receipts, Coupons and Talons and all replacement covered bonds, receipts, coupons or talons issued in substitution for lost, stolen, mutilated, defaced or destroyed Covered Bonds, Receipts, Coupons or Talons; (ii) the Principal Paying Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of six years from the Relevant Date in respect of such Coupons and (in the case of Talons) indefinitely, either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged; and (iii) such records and copies thereof shall be made available to the Bond Trustee at all reasonable times during normal business hours.

Notwithstanding the foregoing, the Issuer shall not be required to procure the keeping of a record of serial numbers and maturity dates of Receipts and Coupons except as regards unmatured Coupons not attached to or surrendered with Bearer Definitive Covered Bonds presented for redemption or

purchased and presented for cancellation, matured Coupons that remain unpaid, Receipts and Coupons in place of which replacement Receipts and Coupons have been issued and replacement Receipts and Coupons.

#### 7. COVERED BOND GUARANTEE

- 7.1 (a) In consideration of the Term Advances made and to be made by the Issuer to the LLP pursuant to the Intercompany Loan Agreement and the payment of any Excess Proceeds to the LLP pursuant to Clause 11.2, the LLP, as principal obligor, irrevocably guarantees to the Bond Trustee, for the benefit of the Covered Bondholders, the prompt performance by the Issuer of its obligations to pay Guaranteed Amounts as and when the same become Due for Payment.
  - (b) The LLP shall, as principal obligor:
    - (i) following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the LLP:
      - (A) subject to Clause 7.1(b)(i)(B), pay or procure to be paid (in the manner described in Clause 8.1) to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders), an amount equal to those Guaranteed Amounts or that portion of the Guaranteed Amounts which shall have become Due for Payment in accordance with the terms of the trust presents, but which have not been paid by the Issuer to the relevant Covered Bondholders, Receiptholders and/or Couponholders on any Original Due for Payment Date or, if applicable, the Extended Due for Payment Date; and
      - (B) where payment of the unpaid portion of the Final Redemption Amount by the LLP under the Covered Bond Guarantee has been deferred (pursuant to the second paragraph of Condition 6.1 (*Final redemption*)) until the Extended Due for Payment Date, make payment in respect of such unpaid portion (in the manner described in Clause 8.1), to the extent it has sufficient moneys available to it under the Guarantee Priority of Payments on any Original Due for Payment Date after the date of such deferral up to (and including) the relevant Extended Due for Payment Date (the obligation of the LLP to pay any amounts in respect of the balance of the Final Redemption Amount not so paid on any such Original Due for Payment Date shall be further deferred as described in Condition 6.1 (*Final redemption* and such failure to pay by the LLP shall not constitute an LLP Event of Default); and
    - (ii) following the occurrence of an LLP Event of Default and the service by the Bond Trustee of an LLP Acceleration Notice on the Issuer and the LLP, in respect of the Covered Bonds of each outstanding Series, pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders) in the manner described in Clause 8.1, the Guaranteed Amount in respect of each Covered Bond corresponding to the Early Redemption Amount for that Covered Bond plus (to the extent not included in the Early Redemption Amount) all accrued and unpaid interest and all other amounts payable in respect of that Covered Bond as referred to in the definition of Guaranteed Amount.

- 7.2 In relation to the Covered Bonds of each Series, the Covered Bond Guarantee:
  - (a) extends to the ultimate balance of the Guaranteed Amounts due to be paid or which would have been due to be paid by the Issuer on the relevant Original Due for Payment Dates or Extended Due for Payment Date (as applicable) in accordance with the terms of the trust presents, the Covered Bonds, the Receipts or the Coupons, regardless of any intermediate payment or discharge in whole or in part of any Guaranteed Amounts due to be paid on the relevant Scheduled Payment Date;
  - (b) is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person (whether from the LLP or otherwise); and
  - (c) shall remain in force until all moneys payable by the LLP pursuant to the terms of the Covered Bond Guarantee shall have been paid.
- 7.3 The LLP hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to the Covered Bonds, Receipts or Coupons or the indebtedness evidenced thereby and all demands whatsoever and hereby covenants that the Covered Bond Guarantee shall be a continuing guarantee, which shall not be discharged except by complete performance of the obligations contained in the trust presents in relation to the Covered Bonds, Receipts and Coupons PROVIDED THAT (a) except in the case of Excess Proceeds, every payment of principal or interest in respect of the Covered Bonds, Receipts and/or Coupons made to the Principal Paying Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the liability of the Issuer and the LLP under the trust presents and shall be deemed for the purpose of this Clause 7.3 to have been paid to the order of the Bond Trustee, except to the extent that the subsequent payment thereof to the Covered Bondholders, the Receiptholders or the Couponholders in accordance with the Conditions is not made; and (b) every payment of Excess Proceeds in accordance with the Condition 9.1 (Issuer Events of Default) and Clause 11.2 to or to the order of the Bond Trustee shall be in satisfaction (for the benefit of the Issuer only and not the LLP) pro tanto of the relative covenant by the Issuer contained in Clause 2 (Amount and Issue of the Covered Bonds) in respect of the Excess Proceeds which are due and payable in relation to the Covered Bonds of such Series (but, as provided in Clause 11.2, shall not do so for the purposes of the subrogation rights of the LLP contemplated by Clause 7.7 and shall not reduce or discharge any obligations of the LLP).
- If any payment received by the Bond Trustee, the Principal Paying Agent or any Covered Bondholder, Receiptholder or Couponholder pursuant to the provisions of the trust presents in relation to the Covered Bonds, the Receipts or the Coupons shall, on the subsequent bankruptcy, sequestration, liquidation, insolvency, corporate reorganisation of the Issuer or other such similar event, be set aside or avoided for any reason, such payment shall not be considered as having discharged or diminished the liability of the LLP and the Covered Bond Guarantee shall continue to apply in accordance with its terms as if such payment had at all times remained owing by the Issuer and the LLP shall indemnify the Bond Trustee and the Covered Bondholders, Receiptholders and/or Couponholders (as the case may be) in respect thereof PROVIDED THAT the obligations of the LLP under this Clause 7.4 shall, as regards each payment made to the Trustee or any Covered Bondholder, Receiptholder or Couponholder which is avoided or set aside, be contingent upon such payment being reimbursed to the Issuer or other persons entitled through the Issuer.
- 7.5 Without prejudice to the generality of the foregoing provisions of this Clause 7, the LLP agrees that its obligations under the trust presents shall be as if it were principal debtor and not merely as surety or guarantor and shall be absolute and (following the service of a Notice to Pay on the LLP (which the Bond Trustee will be required to serve following the occurrence of an Issuer Event of Default and the service of an Issuer Acceleration Notice) or, if earlier, following the occurrence of an LLP

Event of Default and the service of an LLP Acceleration Notice) unconditional and that the LLP shall be fully liable irrespective of the validity, regularity, legality or enforceability against the Issuer of, or of any defence or counter-claim whatsoever available to the Issuer in relation to, its obligations under the trust presents or any other Transaction Document, whether or not any action has been taken to enforce the same or any judgment obtained against the Issuer, whether or not any of the other provisions of the trust presents or any of the Transaction Documents have been modified, whether or not any time, indulgence, waiver, authorisation or consent has been granted to the Issuer by or on behalf of the Covered Bondholders or the Receiptholders or Couponholders or the Bond Trustee, whether or not any determination has been made by the Bond Trustee pursuant to Clause 20.1, whether or not there have been any dealings or transactions between the Issuer, any of the Covered Bondholders, Receiptholders or Couponholders or the Bond Trustee, whether or not the Issuer has been dissolved, liquidated, merged, consolidated, bankrupted or has changed its status, functions, control or ownership, whether or not the Issuer has been prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation and whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defence to a guarantor. Accordingly, the validity of the Covered Bond Guarantee shall not be affected by any invalidity, irregularity or unenforceability of all or any of the obligations of the Issuer under the trust presents or any other Transaction Document and the Covered Bond Guarantee shall not be discharged nor shall the liability of the LLP under the trust presents be affected by any act, thing or omission or means whatsoever whereby its liability would not have been discharged if it had been the principal debtor.

- 7.6 Subject to its obligation to deliver a Notice to Pay on the LLP (which the Bond Trustee shall be required to deliver following the occurrence of an Issuer Event of Default and the service of an Issuer Acceleration Notice), the Bond Trustee may determine from time to time whether it will enforce the Covered Bond Guarantee if it is so entitled, which it may do without making any demand of or taking any proceedings against the Issuer and may from time to time make any arrangement or compromise with the LLP in relation to the Covered Bond Guarantee which the Bond Trustee may consider expedient in the interests of the Covered Bondholders, Receiptholders or Couponholders.
- 7.7 If any moneys shall become payable by the LLP under the Covered Bond Guarantee, the LLP shall not, so long as the same remain unpaid, without the prior written consent of the Bond Trustee:
  - (a) in respect of any amounts paid by it under the Covered Bond Guarantee, exercise any rights of subrogation against the Issuer or any other right or remedy which may accrue to it in respect of or as a result of any such payment; or
  - (b) in respect of any other moneys for the time being due to the LLP by the Issuer, claim payment thereof or exercise any other right or remedy,

including, in either case, claiming the benefit of any security or right of set-off or, on the liquidation of the Issuer, proving in competition with the Bond Trustee, subject always to the rights of the LLP to set-off amounts owing by the Issuer to the LLP in respect of amounts paid by the LLP under the Covered Bond Guarantee against any amounts repayable by the LLP under the terms of the Intercompany Loan Agreement, which shall remain unaffected.

If, notwithstanding the foregoing, upon the bankruptcy, insolvency or liquidation of the Issuer, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the LLP before payment in full of all principal of, and interest on, the Covered Bonds, Receipts and Coupons shall have been made to the Covered Bondholders, the Receiptholders and the Couponholders, such payment or distribution shall be received by the LLP on trust to pay the same over immediately to the Bond Trustee for application in or towards the payment of all sums due and remaining unpaid under the trust presents in accordance with Clause 11

- (Application of Moneys) on the basis that Clause 11 (Application of Moneys) does not apply separately and independently to each Series of the Covered Bonds.
- Any amounts from time to time received by the Bond Trustee under the Covered Bond Guarantee shall be applied by the Bond Trustee in accordance with the provisions of Clause 11.1 PROVIDED THAT any Excess Proceeds received by the Bond Trustee shall be applied by the Bond Trustee in accordance with the provisions of Clause 11.2.

#### 8. PAYMENTS UNDER THE COVERED BOND GUARANTEE

- 8.1 (a) Following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer pursuant to Condition 9.1 (*Issuer Events of Default*), the Bond Trustee shall promptly deliver a Notice to Pay to the Issuer and the LLP with a copy to the Principal Paying Agent requiring the LLP to pay the Guaranteed Amounts as and when the same are Due for Payment in accordance with the terms of the Covered Bond Guarantee and the trust presents.
  - (b) Following the service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer and the service by the Bond Trustee of a Notice to Pay on the LLP but prior to an LLP Event of Default and service by the Bond Trustee of an LLP Acceleration Notice, payment by the LLP of the Guaranteed Amounts pursuant to the Covered Bond Guarantee shall be made in accordance with the Guarantee Priority of Payments set out in Clause 17.5 of the LLP Deed by 10.00 a.m. (local time in the relevant financial centre of the payment or, in the case of a payment in euro, London time) on the Original Due for Payment Date or, if applicable, the Extended Due for Payment Date on which the relevant Guaranteed Amount is Due for Payment except that where the LLP is required to make a payment of a Guaranteed Amount in respect of the Final Redemption Amount payable on the Final Maturity Date of a Covered Bond for which an Extended Due for Payment Date is specified in the applicable Final Terms Document, the LLP shall make such payment on the Extended Due for Payment Date but only to the extent that the LLP shall have received a Notice to Pay no later than one Business Day prior to the relevant Extension Determination Date and does not pay Guaranteed Amounts corresponding to the full amount of the Final Redemption Amount in respect of such Covered Bond by such Extension Determination Date because the LLP has insufficient moneys available under the Guarantee Priority of Payments to pay such Guaranteed Amounts in full on the earlier of (i) the date which falls two Business Days after service of the Notice to Pay on the LLP or, if later, the relevant Final Maturity Date (in each case after the expiry of the grace period set out in Condition 9.2(a)) and (ii) the Extension Determination Date. Where the LLP is required to make a payment of a Guaranteed Amount in respect of a Final Redemption Amount payable on the Final Maturity Date of the Covered Bond, to the extent that the LLP has insufficient moneys available after payment of higher ranking amounts and taking into account amounts ranking pari passu therewith in the Guarantee Priority of Payments to pay such Guaranteed Amounts, it shall make partial payment of such Guaranteed Amounts in accordance with the Guarantee Priority of Payments.
  - (c) Following the occurrence of an LLP Event of Default and service by the Bond Trustee of an LLP Acceleration Notice, all amounts payable by the LLP under Clause 7.1(b)(ii) shall thereupon become due and payable and thereafter the Security shall become enforceable. All moneys received or recovered by the Security Trustee or any Receiver (other than any Tax Credit, Third Party Amount or Swap Collateral Excluded Amount which will be paid in accordance with the relevant provisions of the Deed of Charge) will be applied, following enforcement of the Security, in accordance with the Post-Enforcement Priority of Payments.

- 8.2 The Bond Trustee shall direct the LLP to pay (or to procure the payment of) all sums payable under the Covered Bond Guarantee to the Principal Paying Agent subject always to the provisions of Clause 2.3(b). For avoidance of doubt, any discharge of the Issuer as a result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the LLP under the Covered Bond Guarantee.
- 8.3 At least two Business Days before the date on which the LLP is obliged to make a payment under the Covered Bond Guarantee, it shall notify or procure the notification of the Principal Paying Agent of the irrevocable instructions to the Account Bank through which payment to the Principal Paying Agent is to be made.
- All payments of Guaranteed Amounts by or on behalf of the LLP shall be made without withholding or deduction for, or on account of, any present or future tax, duties, assessment or other governmental charges of whatever nature, unless the withholding or deduction is required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the LLP shall pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The LLP shall not be obliged to pay any additional amount to the Bond Trustee or any holder of Covered Bonds, Receipts and/or Coupons in respect of the amount of such withholding or deduction.
- 8.5 The Issuer shall not be discharged from its obligations under the Covered Bonds, Receipts or Coupons and the trust presents by any payment made by the LLP under the Covered Bond Guarantee PROVIDED THAT this Clause 8.5 shall operate only for the purpose of the subrogation rights of the LLP contemplated by Clause 7.8.

#### 9. NON-PAYMENT

Proof that, as regards any specified Covered Bond, Receipt or Coupon, the Issuer or, as the case may be, the LLP has made default in paying any amount due in respect of such Covered Bond, Receipt or Coupon shall (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Covered Bonds, Receipts or Coupons (as the case may be) in respect of which the relevant amount is due and payable.

#### 10. PROCEEDINGS, ACTION AND INDEMNIFICATION

- 10.1 Save as provided in Clause 10.2, the Bond Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps as it may think fit against, or in relation to the Issuer and the LLP to enforce the provisions of the trust presents.
- 10.2 The Bond Trustee may at any time, after the service of a Notice to Pay (following the occurrence of an Issuer Event of Default and the service of an Issuer Acceleration Notice) or, if earlier, following the occurrence of an LLP Event of Default and the service of an LLP Acceleration Notice, at its discretion and without further notice, take such proceedings as it may think fit against or in relation to the LLP to enforce the provisions of the Covered Bond Guarantee.
- The Bond Trustee shall not be bound to take any such enforcement proceedings in relation to the Trust Deed, the Covered Bonds, the Receipts, the Coupons or any other Transaction Document (as referred to in Clauses 10.1 and 10.2) or give any notice pursuant to Conditions 9.1 (*Issuer Events of Default*) or 9.2 (*LLP Events of Default*) unless (i) directed to do so by an Extraordinary Resolution (with the Covered Bonds of all Series taken together as a single Series as provided in Clause 2.7 (*Separate Series*)) or (ii) requested to do so in writing by the holders of not less than twenty-five per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding (with the Covered Bonds of all Series taken together as a single Series as aforesaid and converted into Sterling in accordance with Condition 9.1 (*Issuer Events of Default*)) and in either case then only if it shall have

been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

- 10.4 Subject as provided above, the Bond Trustee shall not be bound to take any other action under the trust presents or any other Transaction Document unless (i) directed to do so by an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (with the Covered Bonds of each such Series (if more than one) taken together as a single Series) or (ii) requested to do so in writing by the holders of not less than twenty-five per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of each such Series (if more than one) taken together as a single Series and converted into Sterling in accordance with Condition 9.1 (*Issuer Events of Default*)) and in either case then only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
- 10.5 Only the Bond Trustee may enforce the provisions of the trust presents. No Covered Bondholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the LLP to enforce the performance of any of the provisions of the trust presents or to directly enforce the provisions of the Deed of Charge or any other Transaction Document unless the Bond Trustee or the Security Trustee (pursuant to the Deed of Charge) having become bound as aforesaid to take proceedings fails to do so within a reasonable period and such failure is continuing (in which case each of such Covered Bondholder, Receiptholder or Couponholder 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 order in respect of, the Issuer or the LLP).

#### 11. APPLICATION OF MONEYS

11.1 All moneys (other than Excess Proceeds which shall be applied in the manner set out in Clause 11.2 below) received by the Bond Trustee under the trust presents from the Issuer or, as the case may be, the LLP or any administrator, administrative receiver, receiver, liquidator, trustee in sequestration or other similar official appointed in relation to the Issuer or the LLP (including any moneys which represent principal or interest in respect of Covered Bonds, Receipts or Coupons which have become void or in respect of which claims have become prescribed under Condition 8 (*Prescription*) of the Programme Conditions and Condition 11 (*Prescription*) of the N Covered Bond Conditions and including the proceeds of any enforcement of the Security) shall, unless and to the extent attributable, in the opinion of the Bond Trustee, to a particular Series of the Covered Bonds, be apportioned *pari passu* and rateably between each Series of the Covered Bonds, and all moneys received by the Bond Trustee under the trust presents from the Issuer or, as the case may be, the LLP to the extent attributable in the opinion of the Bond Trustee to a particular Series of the Covered Bonds or which are apportioned to such Series as aforesaid, be held by the Bond Trustee upon trust to apply them (subject to Clause 13 (*Investment by Trustee*)):

FIRSTLY (except in relation to any such moneys received by the Bond Trustee following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of an Issuer Acceleration Notice and a Notice to Pay) in payment or satisfaction of all amounts then due and unpaid under Clause 16 (*Remuneration and Indemnification of Bond Trustee*) to the Bond Trustee and/or any Appointee;

SECONDLY in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Covered Bonds of that Series;

THIRDLY in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Covered Bonds of each other Series; and

FOURTHLY in payment of the balance (if any) to the Issuer (to the extent received from the Issuer) or the LLP (if received from the LLP).

Without prejudice to this Clause 11.1, if the Bond Trustee holds any moneys (other than Excess Proceeds) which represent principal or interest in respect of Covered Bonds which have become void or in respect of which claims have been prescribed under Condition 8 (*Prescription*), the Bond Trustee shall (subject to no sums being then overdue to the Bond Trustee or to the Covered Bondholders, Receiptholders or Couponholders in respect of any other Covered Bonds, Receipts or Coupons which have been presented for payment and to paying or providing for the payment or satisfaction of the said costs, charges, expenses and liabilities, including the remuneration of the Bond Trustee) hold such moneys on the above trusts.

- 11.2 Following the occurrence of an Issuer Event of Default and the delivery of an Issuer (a) Acceleration Notice, any Excess Proceeds received by the Bond Trustee shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the LLP for its own account, as soon as practicable, and shall be held by the LLP in the GIC Account and the Excess Proceeds shall thereafter form part of the Security and shall be used by the LLP in the same manner as all other moneys from time to time standing to the credit of the GIC Account pursuant to the Deed of Charge, the LLP Deed and any other relevant Transaction Document. Any Excess Proceeds received by the Bond Trustee shall discharge pro tanto the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (to the extent of the amount so received) (but shall be deemed not to have done so for the purposes of subrogation rights of the LLP contemplated by Clause 7.8). However, the obligations of the LLP under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and a Notice to Pay or, if earlier, following the service of an LLP Acceleration Notice) unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds shall not reduce or discharge any such obligations.
  - (b) By subscribing for Covered Bond(s), each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the LLP in the manner as described above.
  - (c) For the avoidance of doubt, any payments by the LLP to the Covered Bondholders out of the Excess Proceeds, shall reduce the Guaranteed Amounts *pro tanto*.

#### 12. NOTICE OF PAYMENTS

The Bond Trustee shall give notice to the relevant Covered Bondholders in accordance with Condition 13 (*Notices*) (in the case of Covered Bonds which are not N Covered Bonds) and Condition 10 (*Notices*) of the N Covered Bonds Conditions (in the case of N Covered Bonds) of the day fixed for any payment to them under Clause 11.1. Such payment may be made in accordance with Condition 5 (*Payments*) (in the case of Covered Bonds which are not N Covered Bonds) and Condition 5 (*Payments*) of the N Covered Bonds Conditions (in the case of N Covered Bonds) and any payment so made shall be a good discharge to the Bond Trustee.

#### 13. INVESTMENT BY TRUSTEE

13.1 Except in relation to any Excess Proceeds, the Bond Trustee may at its absolute discretion and pending payment as provided for in the trust presents, invest moneys at any time available for the payment of principal and interest on the Covered Bonds of any Series, to the extent that it is permitted to do so under the FSMA, in some or one of the Authorised Investments (but as if references to the words "and mature on or before the next following LLP Payment Date" in the definition in respect thereof were deleted) for such periods as it may consider expedient with power from time to time at the like discretion to vary such investments and to accumulate such investments

and the resulting interest and other income derived therefrom. The accumulated investments shall be applied under Clause 11 (*Application of Moneys*). All interest and other income deriving from such investments shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 16 (*Remuneration and Indemnification of Bond Trustee*) to the Bond Trustee and/or any Appointee and otherwise held for the benefit of and paid to the holders of the Covered Bond of such Series or the holders of the related Receipts and/or Coupons, as the case may be.

13.2 Except in relation to any Excess Proceeds, any moneys which, under the trusts of the trust presents, ought to or may be invested by the Bond Trustee may be invested or deposited in an Authorised Investment. If the bank or institution with which the Bond Trustee deposits moneys is the Bond Trustee or a Subsidiary, holding or associated company of the Bond Trustee, it need only account for an amount of interest equal to the standard amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer. The Bond Trustee may at any time vary any such investments for or into other investments or convert any moneys so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

#### 14. PARTIAL PAYMENTS

Upon any payment under Clause 11.1 (other than payment in full against surrender of a Covered Bond, Receipt or Coupon) the Covered Bond, Receipt or Coupon in respect of which such payment is made shall be produced to the Bond Trustee, the Registrar or the Paying Agent by or through whom such payment is made and the Bond Trustee shall or shall cause the Registrar or, as the case may be, the Paying Agent to enface thereon a memorandum of the amount and the date of payment but the Bond Trustee may in any particular case or generally in relation to Registered Covered Bonds dispense with such production and enfacement upon such indemnity being given to the Bond Trustee and the Issuer as such parties shall think sufficient.

#### 15. COVENANTS BY THE ISSUER AND THE LLP

- Each of the Issuer and the LLP hereby covenants with the Bond Trustee that, so long as any of the Covered Bonds remain outstanding, it will:
  - (a) at all times carry on and conduct its affairs and (in the case of the Issuer) procure that its Subsidiaries carry on and conduct their respective affairs in a proper and efficient manner;
  - at all times keep and (if applicable) procure its Subsidiaries to keep proper books of account and, upon the Bond Trustee certifying in writing to the Issuer or, as the case may be, the LLP that the Bond Trustee has reasonable grounds to believe that an Issuer Event of Default or Potential Issuer Event of Default or LLP Event of Default has occurred or is about to occur and/or after an Issuer Event of Default or LLP Event of Default has occurred, allow the Bond Trustee and any person appointed by the Bond Trustee to whom the Issuer or, as the case may be, the LLP shall have no reasonable objection free access to such books of account at all reasonable times during normal business hours PROVIDED THAT nothing in this paragraph (b) shall oblige the Issuer, the LLP or any of their respective Subsidiaries to disclose confidential information concerning customers of the Issuer, the LLP or such Subsidiaries or regarding any matters which are exempted from disclosure in the published accounts of the Issuer, the LLP or any such Subsidiary by reason of section 409 of the Companies Act 2006 and any applicable regulations made thereunder);
  - (c) send to the Bond Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the Issuer or the LLP) two copies in English of every balance sheet, income and expenditure account, profit and loss account, report, circular and notice of

general meeting and every other document issued or sent to its shareholders (in their capacity as such) together with any of the foregoing, and every document issued or sent to holders of securities of the Issuer or the LLP (in their capacity as such) other than its shareholders but including the Covered Bondholders, in each case as soon as practicable after the issue or publication thereof;

- (d) procure that each of the Paying Agents, the Transfer Agents and the Registrar makes available for inspection by Covered Bondholders, Receiptholders and Couponholders at its specified office copies of this Trust Deed (including any deed supplemental thereto), the Agency Agreement and the then latest audited balance sheet and profit and loss accounts (consolidated if applicable) of the Issuer and the LLP;
- (e) give to the Bond Trustee, as soon as reasonably practicable after the acquisition or disposal of any company which thereby becomes or ceases to be a Principal Subsidiary or after any transfer is made to any Subsidiary of the Issuer which thereby becomes a Principal Subsidiary, a certificate by the Auditors of the Issuer to such effect;
- (f) give to the Bond Trustee at the same time as sending to it the certificates referred to in paragraph (l) below and in any event not later than 180 days after the last day of each financial period of the Issuer, a certificate by the Auditors of the Issuer listing those Subsidiaries of the Issuer which as at such last day were Principal Subsidiaries for the purposes of Condition 9 (Events of Default, Acceleration and Enforcement);
- (g) promptly provide the Bond Trustee with copies of all supplements and/or amendments and/or restatements of the Programme Agreement;
- (h) at all times maintain a Principal Paying Agent, an N Covered Bond Paying Agent, Paying Agents, a Registrar, an N Covered Bond Registrar, an Exchange Agent, Transfer Agents and an N Covered Bond Transfer Agent with specified offices in accordance with the Conditions and at all times maintain any other agents required to be maintained by it by the Conditions;
- (i) give notice in writing to the Bond Trustee of the occurrence of any Issuer Event of Default or Potential Issuer Event of Default or LLP Event of Default or Potential LLP Event of Default (as applicable) without waiting for the Bond Trustee to take any further action;
- (j) cause to be prepared and certified by its Auditors in respect of each financial period, accounts in such form as will comply with all relevant legal and accounting requirements of the country in which the Issuer or, as the case may be, the LLP is incorporated and, if applicable, the requirements for the time being of the relevant Stock Exchange;
- (k) give to the Bond Trustee at all times such information as it shall reasonably require including, but without prejudice to the generality of the foregoing, the procurement by the Issuer or the LLP (as the case may be) of all such certificates called for by the Bond Trustee pursuant to Clause 17(c) for the purpose of the discharge of the duties, powers, trusts, authorities and discretions vested in it under the trust presents or by operation of law provided always that the foregoing shall not oblige the Issuer or the LLP to give any information non-disclosure of which is required by any applicable law;
- (l) give to the Bond Trustee (a) within seven days after demand by the Bond Trustee therefor and (b) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial year commencing with the financial year ending 31 December 2005 and in any event not later than 180 days after the end of each such financial year, a certificate (substantially in the form set out in Schedule 5 to the trust

presents) of each of the Issuer and the LLP signed by two Issuer Authorised Signatories or, in the case of the LLP, a Designated Member of the LLP or two LLP Authorised Signatories (as the case may be) to the effect that as at a date not more than seven days before delivering such certificate (the **relevant certification date**) there did not exist and has not existed since the relevant certification date of the previous certificate (or in the case of the first such certificate, the date hereof), on the part of the Issuer, any Issuer Event of Default or Potential Issuer Event of Default or, on the part of the LLP, any LLP Event of Default or Potential LLP Event of Default (as applicable) (or if such exists or existed specifying the same) and that, during the period from and including the relevant certification date of the last such certificate (or in the case of the first such certificate, the date hereof) to and including the relevant certification date of such certificate, each of the Issuer and the LLP has complied with all its obligations contained in the trust presents or (if such is not the case) specifying the respects in which it has not complied;

- (m) so far as permitted by law at all times, execute all such further documents and do all such further acts and things as may be necessary at any time or times in the reasonable opinion of the Bond Trustee to give effect to the terms and conditions of the trust presents;
- (n) procure that the Principal Paying Agent and the N Covered Bond Paying Agent notifies the Bond Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Covered Bonds or any of them or in respect of the Receipts (if any) and/or the Coupons (if any), receive unconditionally in the manner provided by the Agency Agreement the full amount of the moneys payable in the requisite currency on such due date on all such Covered Bonds, Receipts or, as the case may be, Coupons;
- (o) if the applicable Final Terms Document of a Series indicates that the Covered Bonds of that Series are to be listed on a Stock Exchange, use all reasonable endeavours to maintain the quotation or listing on the relevant Stock Exchange of those of the Covered Bonds which are quoted or listed on the relevant Stock Exchange (provided that if, at any time, the Issuer or the LLP is of the opinion in its sole discretion that maintaining such quotation or listing is unduly burdensome, the Issuer or the LLP may seek an alternative listing of the Covered Bonds on some other Stock Exchange (including, without limitation, a stock exchange outside the European Union) as may be agreed between the Issuer, the LLP and the Bond Trustee) or, if it is unable to do so having used all reasonable endeavours, use all reasonable endeavours to obtain and maintain a quotation or listing of such Covered Bonds issued by it on such other stock exchange or exchanges or securities market or markets as the Issuer and the LLP may (with the prior written approval of the Bond Trustee) decide and shall also, upon obtaining a quotation or listing of such Covered Bonds issued by it on such other stock exchange or exchanges or securities market or markets, enter into a trust deed supplemental to this Trust Deed to effect such consequential amendments to the trust presents as the Bond Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange or securities market;
- (p) observe and comply with its obligations, and use all reasonable endeavours to procure that the Principal Paying Agent, the N Covered Bond Paying Agent, the Registrar, the N Covered Bond Registrar, the Exchange Agent, any Transfer Agent, the N Covered Bond Transfer Agent and the other Paying Agents observe and comply with all their respective obligations, under the Agency Agreement and not modify or amend the same without the previous consent in writing of the Bond Trustee;
- (q) send to the Bond Trustee a copy of the form of any notice to be given to the Covered Bondholders in accordance with Condition 13 (*Notices*) and, upon publication, two copies of such notice, such notice being in the form approved by the Bond Trustee (such approval not to be unreasonably withheld or delayed and, unless so expressed, not to constitute

- approval for the purposes of Section 21 of the FSMA of a communication within the meaning of Section 21);
- (r) in the event of the unconditional payment to the Principal Paying Agent, the N Covered Bond Paying Agent or the Bond Trustee (in any case) of any sum due in respect of principal, redemption amount, premium (if any) and/or interest on the Covered Bonds of such Series or any of them being made after the due date for payment thereof, forthwith give or procure the Principal Paying Agent or the N Covered Bond Paying Agent to give notice to the Covered Bondholders of such Series in accordance with Condition 13 (*Notices*) (in the case of Covered Bonds which are not N Covered Bonds) of the Programme Conditions and/or Condition 10 (*Notices*) of the N Covered Bond Conditions (in the case of N Covered Bonds) that such payment has been made;
- if, while any of the Covered Bonds remains outstanding, the Issuer shall become subject (s) generally to the taxing jurisdiction of any territory or any authority or political sub-division therein or thereof having power to tax other than or in addition to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax, unless the Bond Trustee otherwise agrees, the Issuer shall give to the Bond Trustee notice forthwith upon becoming aware thereof and, as soon as practicable thereafter, an undertaking or covenant in form and substance and manner satisfactory to the Bond Trustee in terms corresponding to the relevant Condition 7 (Taxation) with the substitution for (or, as the case may be, addition to) the references therein to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax of references to that other or additional territory or any authority or political sub-division therein or thereof having power to tax to whose taxing jurisdiction the Issuer shall have become subject as aforesaid and, where such undertaking or covenant is provided, references in Condition 6.2 (Redemption for taxation reasons) to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax shall be deemed to be amended accordingly;
- give or procure that there be given notice to the Covered Bondholders in accordance with (t) the Conditions of any appointment (other than the initial appointment), resignation or removal of any Principal Paying Agent, the N Covered Bond Paying Agent, Registrar, the N Covered Bond Registrar, Exchange Agent, Calculation Agent, Transfer Agent, the N Covered Bond Transfer Agent or other Paying Agent as shown on the Covered Bonds or so published in accordance with the Conditions as soon as practicable after having obtained (except in the case of resignation) the written approval of the Bond Trustee thereto (such approval not to be unreasonably withheld or delayed) and in any event within 14 days after such event taking effect and within 30 days of notice received from the Principal Paying Agent, N Covered Bond Paying Agent, the Registrar, N Covered Bond Registrar, an Exchange Agent, a Transfer Agent, N Covered Bond Transfer Agent or other Paying Agent of a change in its specified office, give notice to the Bond Trustee and to the Covered Bondholders of such change PROVIDED ALWAYS THAT so long as any of the Covered Bonds remains outstanding in the case of the termination of the appointment of the Registrar, the N Covered Bond Registrar, a Transfer Agent or the N Covered Bond Transfer Agent or so long as any of the Covered Bonds, Receipts or Coupons remains liable to prescription in the case of the termination of the appointment of the Principal Paying Agent, the N Covered Bond Paying Agent, the Calculation Agent or the Exchange Agent, no such termination shall take effect until a new Principal Paying Agent, N Covered Bond Paying Agent Calculation Agent, Registrar, Exchange Agent, Transfer Agent or N Covered Bond Transfer Agent (as the case may be) has been appointed on terms previously approved in writing by the Trustee;

- (u) in order to enable the Bond Trustee to ascertain the Principal Amount Outstanding of Covered Bonds of each Series for the time being outstanding (other than for the purpose of ascertaining the amount of Covered Bonds of each Series for the time being outstanding for the purpose of the Programme Limit), deliver to the Bond Trustee forthwith after being so requested in writing by the Bond Trustee a certificate in writing signed by two Issuer Authorised Signatories or, in the case of the LLP, a Designated Member of the LLP or two LLP Authorised Signatories (as the case may be) setting out the total numbers and Principal Amount Outstanding of the Covered Bonds of each Series which up to and including the date of such certificate have been purchased by or for the account of the Issuer or any of its respective Subsidiaries (including the LLP), the Principal Amount Outstanding of the Covered Bonds of each Series which are held beneficially at such date by the Issuer or any of its respective Subsidiaries (including the LLP) and the Principal Amount Outstanding of the Covered Bonds of each Series so purchased which have been cancelled; and
- (v) use all reasonable endeavours to procure that Euroclear and/or Clearstream, Luxembourg (as the case may be) issue(s) any record, certificate or other document requested by the Bond Trustee under Clause 17(ff) or otherwise as soon as practicable after such request.
- 15.2 The Issuer hereby covenants with the Bond Trustee that, so long as any of the Covered Bonds remains outstanding, it will loan the proceeds from any issue of Covered Bonds to the LLP in accordance with the terms of the Intercompany Loan Agreement.

#### 16. REMUNERATION AND INDEMNIFICATION OF BOND TRUSTEE

- 16.1 The Issuer (and, following an Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay or, if earlier, following an LLP Event of Default and the service of an LLP Acceleration Notice, the LLP) shall pay to the Bond Trustee, by way of remuneration for its services as Bond Trustee of the trust presents, such amount as shall be agreed from time to time by exchange of letters between the Issuer, the Bond Trustee and the LLP. Such remuneration shall accrue from day to day and be payable (in priority to payments to Covered Bondholders, Receiptholders and Couponholders and any other Secured Creditors) up to and including the date when, all the Covered Bonds having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Principal Paying Agent, the N Covered Bond Paying Agent (in the case of N Covered Bonds) or the Bond Trustee PROVIDED THAT if, upon due presentation of any Covered Bond, Receipt or Coupon or any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will be deemed not to have ceased to accrue and will continue to accrue until payment to such Covered Bondholder, Receiptholder or Couponholder is duly made.
- In the event of the occurrence of an Issuer Event of Default, LLP Event of Default, Potential Issuer Event of Default or Potential LLP Event of Default or the Bond Trustee considering it necessary or being requested by the Issuer or the LLP (as the case may be) to undertake duties which the Bond Trustee and the Issuer or the LLP agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under the trust presents, the Issuer or the LLP shall pay to the Bond Trustee such additional remuneration as shall be agreed between them and the provisions of this Clause 16 shall apply *mutatis mutandis* in respect of such additional remuneration.
- 16.3 The Issuer (and, following an Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay or, if earlier, following an LLP Event of Default and the service of an LLP Acceleration Notice, the LLP) shall, in addition to amounts payable under this Clause 16, pay to the Bond Trustee an amount equal to the amount of any VAT or similar tax that the Bond Trustee is liable to account for to HM Revenue and Customs or any other tax authority in respect of any supply of services made by the Bond Trustee pursuant to the trust presents subject to receipt of a valid VAT (or other tax) invoice.

- In the event of the Bond Trustee and the Issuer (and, following any Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay or, if earlier, following an LLP Event of Default and the service of an LLP Acceleration Notice, the LLP) failing to agree:
  - (a) (in a case to which Clause 16.1 above applies) upon the amount of the remuneration; or
  - (b) (in a case to which Clause 16.2 above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Bond Trustee under the trust presents, or upon such additional remuneration,

such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Bond Trustee and approved by the Issuer or the LLP or, failing such approval, nominated (on the application of the Bond Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant or investment bank being payable by the Issuer or the LLP) and the determination of any such merchant or investment bank shall be final and binding upon the Bond Trustee and the Issuer or the LLP.

- 16.5 The Issuer (and, following any Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay or, if earlier, following an LLP Event of Default and the service of an LLP Acceleration Notice, the LLP) shall also pay or discharge all other costs, charges, liabilities and expenses (including travelling expenses but excluding any corporation tax on remuneration paid to the Bond Trustee pursuant to the trust presents) which the Bond Trustee may properly incur in relation to the negotiation, preparation and execution of the trust presents and the exercise of the powers and the execution of the trusts vested in it by or pursuant to the trust presents or any Transaction Document to which it is party.
- 16.6 The Issuer (and, following any Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay or, if earlier, following an LLP Event of Default and the service of an LLP Acceleration Notice, the LLP) shall indemnify the Bond Trustee in full in respect of all proceedings, claims and demands and all costs, charges, expenses, and liabilities for which it (or any person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by the trust presents or any other Transaction Document to which the Bond Trustee is party to or its functions under any such appointment) may be or become liable or which may properly be incurred by it (or any such person as aforesaid) in respect of any matter or thing done or omitted in any way relating to the trust presents or any other Transaction Document to which the Bond Trustee is party save to the extent that the same arises as a result of wilful default, wilful misconduct, fraud or breach of trust on the part of the Bond Trustee. The Bond Trustee shall use reasonable endeavours to keep the Issuer and the LLP informed of the progress of any claims against the Bond Trustee.
- All amounts payable pursuant to Clauses 16.5 and 16.6 above shall be payable by the Issuer (and, following any Issuer Event of Default and the service of an Issuer Acceleration Notice and a Notice to Pay or, if earlier, following an LLP Event of Default and the service of an LLP Acceleration Notice, the LLP) on the date specified in a demand by the Bond Trustee and, in the case of payments actually made by the Bond Trustee prior to such demand, shall (if not paid within three days of such demand and the Bond Trustee so requests) carry interest at the rate of two per cent. per annum above the base rate from time to time of National Westminster Bank Plc from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within three days of such demand and, in either case, the Bond Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Bond Trustee shall carry interest at such rate from the due date therefor.

- 16.8 Unless otherwise specifically stated in any discharge of the trust presents, the provisions of this Clause 16 and Clause 22 (*Exchange Rate Indemnity*) shall continue in full force and effect in relation to the period during which the Bond Trustee was bond trustee of the trust presents notwithstanding such discharge and whether or not the Bond Trustee is then the bond trustee of the trust presents.
- 16.9 The Bond Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Covered Bonds any Liabilities incurred under the trust presents have been incurred or to allocate any such Liabilities between the Covered Bonds of any Series.

#### 17. SUPPLEMENT TO TRUSTEE ACTS

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Bond Trustee in relation to the trusts constituted by the trust presents. Where there are any inconsistencies between the Trustee Acts and the provisions of the trust presents, the provisions of the trust presents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of the trust presents shall constitute a restriction or exclusion for the purposes of that Act. The Bond Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:

- (a) The Bond Trustee may, in relation to the trust presents and the other Transaction Documents, rely and/or act on the advice or report or opinion of, or any information obtained from, any Auditor, lawyer, valuer, accountant, surveyor, banker, professional adviser, broker, financial adviser, auctioneer or other expert whether obtained by the Issuer, the LLP, the Principal Paying Agent, the Bond Trustee or otherwise and whether or not addressed to the Bond Trustee, notwithstanding that such advice, report, opinion, information, or any engagement letter or any other document entered into by the Bond Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person and the Bond Trustee shall not be responsible for any Liability occasioned by so acting or relying.
- (b) Any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission or cable and the Bond Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission or cable although the same shall contain some error or shall not be authentic.
- (c) The Bond Trustee may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing, a certificate signed by two Issuer Authorised Signatories or, in the case of the LLP, a Designated Member of the LLP or two LLP Authorised Signatories (as the case may be) and the Bond Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate.
- (d) The Bond Trustee shall be at liberty to hold the trust presents and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Bond Trustee to be of good repute and the Bond Trustee shall not be responsible for, or required to insure against, any Liability incurred in connection with any such holding or deposit and may pay all sums required to be paid on account of or in respect of any such deposit.
- (e) The Bond Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Covered Bonds by the Issuer, the exchange of any Global Covered

- Bond for another Global Covered Bond or Definitive Covered Bonds or the delivery of any Global Covered Bond or Definitive Covered Bonds to the person(s) entitled to it or them.
- (f) The Bond Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in the trust presents or to take any steps to ascertain whether any Issuer Event of Default, Potential Issuer Event of Default, LLP Event of Default or Potential LLP Event of Default has occurred and, until it shall have actual knowledge or express notice pursuant to the trust presents to the contrary, the Bond Trustee shall be entitled to assume that no Issuer Event of Default, Potential Issuer Event of Default, LLP Event of Default or Potential LLP Event of Default has occurred and that each of the Issuer and the LLP is observing and performing all of their respective obligations under the trust presents.
- (g) Save as expressly otherwise provided in the trust presents, the Bond Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under the trust presents (the exercise or non-exercise of which as between the Bond Trustee and the Covered Bondholders, the Receiptholders and the Couponholders shall be conclusive and binding on the Covered Bondholders, the Receiptholders and the Couponholders) and shall not be responsible for any Liability which may result from their exercise or non-exercise and, in particular, the Bond Trustee shall not be bound to act at the request or direction of the Covered Bondholders or otherwise under any provision of the trust presents or to take, at such request or direction or otherwise, any other action under any provision of the trust presents, without prejudice to the generality of Clause 10.1, unless it shall first be indemnified and/or secured to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing.
- (h) The Bond Trustee shall not be liable to any person by reason of having acted upon any Extraordinary Resolution in writing or any Extraordinary Resolution or other resolution purporting to have been passed at any meeting of the holders of Covered Bonds of all or any Series in respect whereof minutes have been made and signed or any direction or request of the holders of the Covered Bonds of all or any Series even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution, (in the case of an Extraordinary Resolution in writing) that not all such holders had signed the Extraordinary Resolution or (in the case of a direction or request) it was not signed by the requisite number of holders or that for any reason the resolution, direction or request was not valid or binding upon such holders and the relative Receiptholders and Couponholders.
- (i) The Bond Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Covered Bond, Receipt or Coupon purporting to be such and subsequently found to be forged or not authentic.
- (j) Any consent or approval given by the Bond Trustee for the purposes of the trust presents may be given on such terms and subject to such conditions (if any) as the Bond Trustee thinks fit and notwithstanding anything to the contrary in the trust presents may be given retrospectively. The Bond Trustee may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in the trust presents) if it is satisfied that the interests of the Covered Bondholders will not be materially prejudiced thereby. For the avoidance of doubt, the Bond Trustee shall not have any duty to the Covered Bondholders in relation to such matters other than that which is contained in the preceding sentence.

- (k) The Bond Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Covered Bondholder, Receiptholder, Couponholder or any other Secured Creditor any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Bond Trustee by the Issuer, the LLP or any other person in connection with the trust presents or the Deed of Charge and no Covered Bondholder, Receiptholder, Couponholder or other Secured Creditor shall be entitled to take any action to obtain from the Bond Trustee any such information.
- (l) Where it is necessary or desirable for any purpose in connection with the trust presents to convert any sum from one currency to another it shall (unless otherwise provided by the trust presents or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Bond Trustee in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer, the LLP, the Covered Bondholders, the Receiptholders and the Couponholders.
- (m) The Bond Trustee may certify whether or not any of the conditions, events and acts set out in paragraphs (b) to (e) (inclusive) and (g) of Condition 9.1 (*Issuer Events of Default*) and paragraphs (b) and (d) to (g) (inclusive) of Condition 9.2 (*LLP Events of Default*) (each of which conditions, events and acts shall, unless in any case the Bond Trustee in its absolute discretion shall otherwise determine, for all the purposes of the trust presents be deemed to include the circumstances resulting therein and the consequences resulting therefrom) of the Programme Conditions is in its opinion materially prejudicial to the interests of the Covered Bondholders of any Series and any such certificate shall be conclusive and binding upon the Issuer, the LLP, the Covered Bondholders, the Receiptholders and the Couponholders.
- (n) The Bond Trustee, as between itself and the Covered Bondholders, the Receiptholders and the Couponholders, may determine all questions and doubts arising in relation to any of the provisions of the trust presents. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Bond Trustee, shall be conclusive and shall bind the Bond Trustee and the Covered Bondholders, the Receiptholders, the Couponholders.
- In connection with the exercise by it of any of its trusts, powers, authorities or discretions (o) under the trust presents (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee shall have regard to the general interests of the Covered Bondholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Covered Bondholders, Receiptholders and Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee shall not be entitled to require, nor shall any Covered Bondholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the LLP, the Bond Trustee or any other person any indemnification or payment in respect of any Tax or stamp duty consequences of any such exercise upon individual Covered Bondholders, Receiptholders and/or Couponholders, except to the extent already provided for in Condition 7(Taxation) of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and Condition 6 (Taxation) of the N Covered Bond Conditions (in the case of N Covered Bonds) and/or in any undertaking or covenant given in addition thereto or in substitution therefor under the trust presents.

- (p) Any trustee of the trust presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual and proper professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of the trust presents or any other of the Transaction Documents to which the Bond Trustee is a party and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with the trust presents including matters which might or should have been attended to in person by a trustee not being a lawyer, accountant, broker or other professional person.
- (q) The Bond Trustee may, whenever it thinks fit, delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of the trust presents or not) all or any of its trusts, powers, authorities and discretions under the trust presents. Such delegation may be made upon such terms (including power to subdelegate) and subject to such conditions and regulations as the Bond Trustee may in the interests of the Covered Bondholders think fit. Provided the Bond Trustee has exercised reasonable care in the selection of any such delegate, the Bond Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Bond Trustee shall give reasonable prior notice to the Issuer and the LLP of any such delegation or any renewal, extension or termination and shall procure that any delegate shall also give reasonable prior notice to the Issuer and the LLP of any sub-delegate.
- (r) The Bond Trustee may, in the conduct of the trusts of the trust presents, instead of acting personally, employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with the trust presents (including the receipt and payment of money). Provided the Bond Trustee has exercised reasonable care in the selection of any such agent, the Bond Trustee shall not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.
- (s) The Bond Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the trust presents and any other Transaction Document or any other document relating or expressed to be supplemental thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of the trust presents and any other Transaction Document or any other document relating or expressed to be supplemental thereto.
- (t) The Bond Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to the Covered Bonds or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any Liability incurred thereby.
- (u) The Bond Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by the trust presents as the Bond Trustee may reasonably determine, including for the purpose of depositing with a custodian the trust presents or any document relating to the trusts constituted by the trust presents. If the Bond Trustee exercised reasonable care in the selection of such custodian or nominee, the Bond Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any such person appointed by it hereunder or

- be bound to supervise the proceedings or acts of such person. The Bond Trustee is not obliged to appoint a custodian if the Bond Trustee invests in securities payable to bearer.
- (v) Subject to the requirements, if any, of any relevant Stock Exchange, any corporation into which the Bond Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall be a party hereto and shall be the Bond Trustee under the trust presents without executing or filing any paper or document or any further act being required on the part of the parties thereto.
- (w) The Bond Trustee shall not be bound to take any action in connection with the trust presents or any obligations arising pursuant thereto, including, without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where it is not reasonably satisfied that the Issuer or the LLP (as the case may be) will be able to indemnify it against all Liabilities which may be incurred in connection with such action and may demand, prior to taking any such action, that there be paid to it in advance such sums as it reasonably considers (without prejudice to any further demand) shall be sufficient so to indemnify it and, on such demand being made, the Issuer (and, following an Issuer Event of Default and the service of an Issuer Acceleration Notice and a Notice to Pay or, if earlier, following an LLP Event of Default and the service of an LLP Acceleration Notice, the LLP) shall be obliged to make payment of all such sums in full.
- (x) No provision of the trust presents shall require the Bond Trustee to do anything which may (i) be illegal or contrary to applicable law or regulation; or (ii) cause it to expend or risk its own funds or otherwise incur any Liability in the performance of any of its duties or in the exercise of any of its rights, powers or discretions, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or Liability is not assured to it.
- (y) Unless notified to the contrary, the Bond Trustee shall be entitled to assume without enquiry (other than requesting a certificate pursuant to Clause 15.1(u)) that no Covered Bonds are held by, for the benefit of, or on behalf of, the Issuer or its respective Subsidiaries (including the LLP).
- (z) The Bond Trustee shall have no responsibility whatsoever to the Issuer, the LLP, any Covered Bondholder, Receiptholder or Couponholder or any other person for the maintenance of or failure to maintain any rating of any of the Covered Bonds by any Rating Agency.
- (aa) The Bond Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in the trust presents, or any other agreement or document relating to the transactions contemplated in the trust presents or under such other agreement or document.
- (bb) Subject to Clause 18, the Bond Trustee shall not be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in accordance with the provisions of the trust presents.
- (cc) If, in connection with the exercise of its powers, trusts, authorities or discretions, the Bond Trustee is of the opinion that the interest of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of not less than twenty five per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant Series then outstanding.

- (dd) The Bond Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee. The Bond Trustee will not be responsible for (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Bond Trustee will be entitled to assume, until they each have received written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Portfolio, including, without limitation, compliance with the Asset Coverage Test, the Pre-Maturity Test or the Amortisation Test; or (iv) monitoring whether Loans and Related Security satisfy the Eligibility Criteria. The Bond Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.
- (ee) Where, under the trust presents, the Bond Trustee or the Security Trustee is required to consider whether any event or the exercise by it of any of its powers, authorities or discretions is or will be materially prejudicial to the interests of the Covered Bondholders of one or more Series, the Bond Trustee or the Security Trustee shall be entitled to call for and rely and act upon the advice or opinion of any reputable financial or other adviser (whether or not such financial adviser shall be a Secured Creditor or otherwise party to any Transaction Document) and, if relied upon by the Bond Trustee or the Security Trustee, shall be binding on the Covered Bondholders, Couponholders and Receiptholders of all Series and neither the Bond Trustee nor the Security Trustee shall incur any Liability by reason of so acting or relying.
- (ff) The Bond Trustee may call for and shall rely on any records, certificate or other document of, or to be issued by, Euroclear or Clearstream, Luxembourg in relation to any determination of the principal amount of Covered Bonds represented by a NGCB. Any such records, certificate or other document shall be conclusive and binding for all purposes. The Bond Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any such records, certificate or other document to such effect purporting to be issued by Euroclear or Clearstream, Luxembourg and subsequently found to be forged or not authentic.

#### 18. BOND TRUSTEE'S LIABILITY

Nothing in the trust presents shall, in any case in which the Bond Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of the trust presents conferring on it any trusts, powers, authorities or discretions, relieve or indemnify the Bond Trustee against any liabilities which by virtue of any rule of law would otherwise attach to it in respect of any negligence, wilful default or breach of trust of which it may be guilty in relation to its duties under the trust presents.

#### 19. BOND TRUSTEE CONTRACTING WITH THE ISSUER AND THE LLP

Neither the Bond Trustee nor any director or officer or holding company, Subsidiary or other affiliates of a corporation acting as a trustee under the trust presents shall by reason of its or his fiduciary position be in any way precluded from:

- (a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or the LLP or any of their respective Subsidiaries and affiliates (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Covered Bonds or any other covered bonds, bonds, stocks, shares, debenture stock, debentures or other securities of, the Issuer, the LLP or any of their respective Subsidiaries or affiliates); or
- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or guaranteed by, or relating to the Issuer or the LLP or any of their respective Subsidiaries or affiliates, or any other office of profit under the Issuer or the LLP or any of their respective Subsidiaries or affiliates,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of, or consequences for, the Covered Bondholders, Receiptholders or Couponholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Covered Bondholders and shall not be responsible for any Liability occasioned to the Covered Bondholders, Receiptholders or Couponholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, Subsidiary or associated company of the Bond Trustee or any director or officer of the Bond Trustee acting other than in his capacity as such a director or officer has any information, the Bond Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Covered Bondholders resulting from the Bond Trustee's failing to take such information into account in acting or refraining from acting under or in relation to the trust presents.

# 20. WAIVER, AUTHORISATION AND DETERMINATION

- 20.1 Subject to Clause 20.1(c) below, the Bond Trustee may, without the consent of any of the (a) Covered Bondholders of any Series, the related Receiptholders and/or Couponholders and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, LLP Event of Default or Potential LLP Event of Default, from time to time and at any time but only if in so far as in its opinion the interests of the Covered Bondholders of any Series shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer or the LLP of any of the covenants or provisions contained in the trust presents or the other Transaction Documents or determine that any Issuer Event of Default, Potential Issuer Event of Default, LLP Event of Default or Potential LLP Event of Default shall not be treated as such for the purposes of the trust presents PROVIDED ALWAYS THAT the Bond Trustee shall not exercise any powers conferred on it by this Clause 20 in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9 (Events of Default, Acceleration and Enforcement) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding on the Covered Bondholders, the related Receiptholders and/or the Couponholders and, if, but only if, the Bond Trustee shall so require, shall be notified by the Issuer to the Covered Bondholders in accordance with Condition 13 (Notices) of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and Condition 10 (Notices) of the N Covered Bond Conditions (in the case of N Covered Bonds) as soon as practicable thereafter.
  - (b) Subject to Clause 20.1(c) below, the Bond Trustee shall be bound to waive or authorise any breach or proposed breach by the Issuer or the LLP of any of the covenants or provisions contained in the trust presents or the other Transaction Documents or determine that any Issuer Event of Default, Potential Issuer Event of Default, LLP Event of Default or Potential LLP Event of Default shall not be treated as such for the purposes of the trust presents if it is (i) so directed by an Extraordinary Resolution (in the case of any such determination, with the Covered Bonds of all Series taken together as a single Series as provided in Clause 2.7 (Separate Series) and, if applicable, converted into Sterling at the relevant Covered Bond Swap Rate) or (ii) or requested to do so in writing by the holders of not less than twenty five per cent. of the Principal Amount Outstanding of the Covered Bonds then outstanding (in the case of any such determination, with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Sterling as aforesaid), and at all times then only if it shall first be indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
  - (c) Prior to making or granting any waiver, authorisation or determination pursuant to this Clause 20.1, the Issuer must send written confirmation to the Bond Trustee that any such waiver, authorisation or determination would not result in a breach of the RCB Regulations and that either:
    - (i) any such waiver, authorisation or determination would not require the FCA to be notified in accordance with Regulation 20 of the RCB Regulations; or
    - (ii) if such waiver, authorisation or determination would require the FCA to be notified in accordance with Regulation 20 of the RCB Regulations, the Issuer has provided all information required to be provided to the FCA and the FCA has given its consent to the proposed waiver, authorisation or determination.

#### 20.2 Modification

Subject to Clauses 20.2(b), 20.2(d), 20.2(e), 20.2(f) and 20.2(g), the Bond Trustee may, without the (a) consent or sanction of any of the Covered Bondholders of any Series, the related Receiptholders and/or the Couponholders at any time and from time to time, concur with the Issuer and the LLP and any other party in making any modification (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter) (i) to the trust presents and/or the other Transaction Documents which, in the opinion of the Bond Trustee, may be expedient to make PROVIDED THAT the Bond Trustee is of the sole opinion that such modification will not be materially prejudicial to the interests of any of the Covered Bondholders of any Series; or (ii) to the trust presents or the other Transaction Documents which is, in the sole opinion of the Bond Trustee, of a formal, minor or technical nature or which, in the sole opinion of the Bond Trustee, is to correct a manifest error or an error which, in the opinion of the Bond Trustee, is proven or to comply with mandatory provisions of law. Any such modification may be made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding upon the Covered Bondholders, the related Receiptholders and/or the Couponholders and, unless the Bond Trustee otherwise agrees, shall be notified by the Issuer to the Covered Bondholders in accordance with Condition 13 (Notices) of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and Condition 10 (Notices) of the N Covered Bond Conditions (in the case of N Covered Bonds) as soon as practicable thereafter.

In establishing whether an error is established as such, the Bond Trustee may have regard to any evidence on which the Bond Trustee considers reasonable to rely, and may, but shall not be obliged to, have regard to all or any of the following:

- (i) a certificate from the Arrangers:
  - (A) stating the intention of the parties to the relevant Transaction Document;
  - (B) confirming nothing has been said to (or by investors) or any other parties which is in any way inconsistent with the stated intention; and
  - (C) stating the modification to the relevant Transaction Document is required to reflect such intention; and/or
- (ii) the Rating Agency Confirmation in respect of the modification.
- (b) Subject to Clause 20.2(d) below, the Bond Trustee shall be bound to concur with the Issuer and the LLP and any other party in making any of the above-mentioned modifications if it is (i) so directed by an Extraordinary Resolution or (ii) requested to do so in writing by the holders of not less than twenty five per cent. of the Principal Amount Outstanding of the Covered Bonds (with the Covered Bonds of all Series taken together as a single Series as provided in Clause 2.7 and, if applicable, converted into Sterling at the relevant Covered Bond Swap Rate) then outstanding and at all times then only if it shall first be indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
- (c) Subject to Clause 20.2(d) below, the prior consent of the Bond Trustee, the Security Trustee and the other Secured Creditors will not be required and will not be obtained in relation to the accession of any New Seller to the Programme PROVIDED THAT the relevant conditions precedent in the Transaction Documents are satisfied at the time of the intended accession.

- (d) Prior to making any modification pursuant to this Clause 20.2, the Issuer must send written confirmation to the Bond Trustee that any such modification would not result in a breach of the RCB Regulations and that either:
  - (i) any such modification would not require the FCA to be notified in accordance with Regulation 20 of the RCB Regulations; or
  - (ii) if such modification would require the FCA to be notified in accordance with Regulation 20 of the RCB Regulations, the Issuer has provided all information required to be provided to the FCA and the FCA has given its consent to the proposed modification.
- Subject to Clause 20.2(d) above, the Bond Trustee and the Security Trustee shall, without the (e) consent or sanction of any of the Covered Bondholders of any Series, the related Receiptholders and/or the Couponholders or any other Secured Creditors (except for any Covered Bond Swap Provider), concur with the Issuer in making any modifications to the Transaction Documents and/or the Conditions that are requested by the Issuer to comply with any criteria of the Rating Agencies which may be published after 9 September 2011 and which the Issuer certifies to the Bond Trustee and the Security Trustee in writing are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating Agency to any Series of the Covered Bonds, provided that the Bond Trustee and the Security Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee and the Security Trustee, as applicable, would have the effect of (a) exposing the Bond Trustee and the Security Trustee, as applicable, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee and the Security Trustee, as applicable, in the Transaction Documents and/or the Conditions. For the avoidance of doubt, such modifications may include, without limitation, modifications which would allow any Swap Provider not to post collateral in circumstances where it previously would have been obliged to do so.
- (f) Subject to Clause 20.2(d) above, and with respect only to Covered Bonds issued on or after 12 July 2013 (and which are not consolidated and form a single Series with any Covered Bonds issued prior to such date), and subject to receipt by the Bond Trustee and the Security Trustee of a certificate of the Issuer signed by two Issuer Authorised Signatories or the LLP signed by a Designated Member certifying to the Bond Trustee and the Security Trustee that (a) the requested modifications of the Terms and Conditions of the Covered Bonds and/or any relevant Transaction Documents are to be made solely for the purpose of enabling the Issuer or the LLP to comply with any requirements which apply to it under Regulation (EU) 648/2012 (the **European Market Infrastructure Regulation** or **EMIR**) (**EMIR Related Modifications**) and (b) such EMIR Related Modifications do not relate to a Series Reserved Matter.
  - (i) the Bond Trustee and the Security Trustee shall, without the consent of any of the Covered Bondholders or any other Secured Creditor (other than any Secured Creditor that is a party to the relevant Transaction Document) or the related Receiptholder and/or Couponholder, concur with the Issuer and/or the LLP in making such EMIR Related Modifications; and
  - (ii) the Covered Bondholders and other Secured Creditors shall be deemed to have instructed the Bond Trustee and the Security Trustee to concur in making any and all such EMIR Related Modifications and shall be bound by such EMIR Related Modifications to the Transaction Documents and/or the Conditions of the Covered Bonds regardless of whether or not such modifications are materially prejudicial to the interests of Covered Bondholders and the other Secured Creditors.

**provided that** neither the Bond Trustee nor the Security Trustee shall be obliged to agree to any EMIR Related Modification which, in the sole opinion of the Bond Trustee or the Security Trustee,

would have the effect of (a) exposing the Bond Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee and/or the Security Trustee under the Transaction Documents and/or the Terms and Conditions of the Covered Bonds.

For the avoidance of doubt, in relation to any Series of Covered Bonds issued prior to 12 July 2013 and any Covered Bonds issued on or after such date but which are to be consolidated and form a single Series with such Covered Bonds, such modifications must be made in accordance with and subject to the provisions of Clauses 20.2(a), 20.2(b), 20.2(c) or 20.2(e) above (as applicable) and in accordance with and subject to the provisions of the relevant corresponding provisions of the Deed of Charge, as the case may be.

- Subject to Clause 20.2(d) above, and with respect only to Covered Bonds issued on or after 25 June 2014 (and which are not consolidated with and do not form a single Series with any Covered Bonds issued prior to 25 June 2014) (the **New Covered Bonds**), at the request of the Issuer, the Bond Trustee and the Security Trustee shall concur with the Issuer and the LLP, in effecting any Ratings Modification Event (as defined below), subject to receipt by the Bond Trustee and the Security Trustee of a certificate of the Issuer signed by two Issuer Authorised Signatories certifying that the requested modifications to the Terms and Conditions applying to such New Covered Bonds and/or any related Receipts and/or Coupons or any Transaction Documents are to be made solely for the purposes of enabling the Issuer:
  - (i) to remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating any Series of New Covered Bonds together with the related ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to such Removed Rating Agency (an **Existing Rating Agency Removal**) in so far as these relate solely to such Series of New Covered Bonds; and/or
  - (ii) to reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies to provide a rating in respect of any Series of New Covered Bonds and include the then current relevant ratings criteria, rating tests, rating triggers and any and all relevant requirements specified by and/or relating to the reappointed Rating Agency (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment a **Ratings Modification Event**), **provided that**, in each case and at all times, such Series of New Covered Bonds continues to be rated by at least two Rating Agencies, and subject as provided below.

The holders of the New Covered Bonds and other Secured Creditors shall be deemed to have instructed the Bond Trustee and the Security Trustee to concur in effecting any such Ratings Modification Event and shall be bound by the modifications to the Transaction Documents and/or the Terms and Conditions of the relevant Series of New Covered Bonds made for the purpose of implementing such Ratings Modification Event regardless of whether or not such modifications are materially prejudicial to the interests of the holders of New Covered Bonds and the other Secured Creditors, **provided that**, for the avoidance of doubt, such modification relates solely to a Series of New Covered Bonds and does not apply or have any effect in respect of any Series of Covered Bonds issued prior to 25 June 2014 and provided further that neither the Bond Trustee nor the Security Trustee shall be obliged to agree to any Ratings Modification Event which, in the sole opinion of the Bond Trustee or the Security Trustee, would have the effect of (a) exposing the Bond Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing

- the protections of the Bond Trustee and/or the Security Trustee under the Transaction Documents and/or the Terms and Conditions of the Covered Bonds.
- (h) The Bond Trustee shall be entitled to take into account for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these presents or any other Transaction Document, among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any Rating Agency Confirmation. If any Rating Agency then rating the Covered Bonds either: (a) does not respond to a request to provide a Rating Agency Confirmation within 7 days after such request is made; or (b) provides a waiver or acknowledgement indicating its decision not to review or otherwise declining to review the matter for which the Rating Agency Confirmation is sought, the requirement for the Rating Agency Confirmation from the relevant Rating Agency with respect to such matter will be deemed waived and neither the Bond Trustee nor the Security Trustee shall be liable for any losses Covered Bondholders may suffer as a result.

# 20.3 Substitution

- (a) If so requested by the Issuer, the Bond Trustee and the Security Trustee shall, without the consent of the Covered Bondholders, Receiptholders or Couponholders or any other Secured Creditor, agree with the Issuer and the LLP to the substitution in place of the Issuer (or of the previous substitute under this Clause) as the principal debtor under the trust presents and all other Transaction Documents of any Subsidiary of the Issuer (such substituted issuer being hereinafter called the **New Company**) PROVIDED THAT a trust deed is executed and other forms of undertaking are given by the New Company in the form and manner satisfactory to the Bond Trustee, agreeing to be bound by the provisions of the trust presents and the other Transaction Documents to which the Issuer is a party and with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the New Company had been named in the trust presents and the other Transaction Documents as the principal debtor in place of the Issuer (or of the previous substitute under this Clause).
- (b) The following further conditions shall apply to (a) above:
  - (i) the Issuer and the LLP shall deliver to the Bond Trustee and the Security Trustee a certificate of two Issuer Authorised Signatories and a certificate of a Designated Member of the LLP stating that, immediately after giving effect to such transaction, no Issuer Event of Default or LLP Event of Default, respectively and no Potential Issuer Event of Default or Potential LLP Event of Default, respectively, shall have occurred and be continuing;
  - where the New Company is incorporated, domiciled or resident in, or subject generally to (ii) the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax, undertakings or covenants shall be given by the New Company in terms corresponding to the provisions of Condition 7 (Taxation) of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and Condition 6 (Taxation) of the N Covered Bond Conditions (in the case of N Covered Bonds) with the substitution for (or, as the case may be, the addition to) the references to the United Kingdom or any political subdivision thereof or any authority therein or thereof having power to tax of references to that other or additional territory in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and, where such undertaking or covenant is provided, references in Condition 6.2 (Redemption for taxation reasons) of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and references in Condition 6 (Taxation) of the N Covered Bond Conditions (in the case of N Covered Bonds) to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax shall be deemed to be amended accordingly;

- (iii) a Rating Agency Confirmation is provided;
- (iv) the Covered Bond Guarantee remaining in place *mutatis mutandis* in relation to the obligations of the New Company;
- (v) the Issuer and the LLP shall deliver to the Bond Trustee legal opinions from lawyers approved by the Bond Trustee in (a) England and Wales and (b) the jurisdiction of incorporation of the New Company, in each case in form and substance satisfactory to the Bond Trustee; and
- (vi) the New Company (if a substitute of the Issuer) is included in the register of issuers pursuant to the RCB Regulations and all other provisions of the RCB Regulations (including Regulation 19 (*Change of Issuer*)) are satisfied prior to or on the substitution of the Issuer pursuant to this Clause 20.2(f).

Any such trust deed executed and/or undertakings given in this Clause 20.2(f) shall, if so expressed, operate to release the Issuer or the previous substitute as aforesaid from all of its obligations as principal debtor under the trust presents and the other Transaction Documents to which it is a party. Not later than 14 days after the execution of such documents and compliance with such requirements, the New Company shall give notice thereof in a form previously approved by the Bond Trustee to the Covered Bondholders in the manner provided in Condition 13 (Notices) of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and Condition 10 (Notices) of the N Covered Bond Conditions (in the case of N Covered Bonds). Upon the execution of such documents and compliance with such requirements, the New Company shall be deemed to be named in the trust presents and the other Transaction Documents in place of the Issuer (or in each case in place of the previous substitute under this Clause 20.2(f)) under the trust presents and the other Transaction Documents, and the trust presents and the other Transaction Documents shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the trust presents and the other Transaction Documents to the Issuer shall, unless the context otherwise requires, be deemed to be or include references to the New Company.

- 20.4 (a) The Issuer may, without the consent of the Covered Bondholders, Receiptholders or Couponholders of any Series or any other Secured Creditor (including the Bond Trustee and the Security Trustee), consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to, any corporation organised under the laws of the United Kingdom, or any political subdivision thereof (where the surviving entity or transferee company is not the Issuer, such surviving entity or transferee company shall be referred to as the **New Entity**).
  - (b) The following further conditions shall apply to (a) above:
    - (i) the Issuer and the LLP shall each deliver to the Bond Trustee and the Security Trustee a certificate signed by two Issuer Authorised Signatories and, in the case of the LLP, a Designated Member of the LLP stating that, immediately after giving effect to such transaction, no Issuer Event of Default or Potential Issuer Event of Default and no LLP Event of Default or Potential LLP Event of Default (in respect of the LLP), respectively, shall have occurred and be continuing;
    - where the surviving entity or transferee company is not the Issuer, the Issuer shall procure that the New Entity shall execute a trust deed and give other forms of undertaking in form and manner satisfactory to the Bond Trustee, agreeing to be bound by the provisions of the trust presents and the other Transaction Documents to which the Issuer is a party with any consequential amendments which the Bond

Trustee may deem appropriate as fully as if the New Entity had been named in the trust presents and such other Transaction Documents as the principal debtor in place of the Issuer (or, in each case, of the previous substitute under this Clause 20);

- (iii) a Rating Agency Confirmation is provided;
- (iv) where the surviving entity or transferee company is not the Issuer, where the New Entity is domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax, undertakings or covenants shall be given by the New Entity in terms corresponding to the provisions of Condition 7 (Taxation) of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and Condition 6 (Taxation) of the N Covered Bond Conditions (in the case of N Covered Bonds) with the substitution for (or, as the case may be, the addition to) the references to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax of references to that other or additional territory in which the New Entity is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject and, where such undertaking or covenant is provided, references in Condition 6.2 (Redemption for taxation reasons) of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and Condition 6 (Taxation) of the N Covered Bond Conditions (in the case of N Covered Bonds) to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax shall be deemed to be amended accordingly;
- (v) the Covered Bond Guarantee remaining in place *mutatis mutandis* in relation to the obligations of the New Entity and, where the New Entity is the successor entity or transferee company of the Issuer;
- (vi) the Issuer and the LLP shall deliver to the Bond Trustee legal opinions obtained from lawyers approved by the Bond Trustee in (a) England and Wales and (b) the jurisdiction of incorporation of the New Entity, in each case in form and substance satisfactory to the Bond Trustee; and
- (vii) the New Entity (if a successor or transferee of the Issuer) is included in the register of issuers pursuant to the RCB Regulations and all other provisions of the RCB Regulations (including Regulation 19 (*Change of Issuer*)) are satisfied prior to or on the substitution of the Issuer pursuant to this Clause 20.4.
- Any such trust deed executed and/or undertakings given in this Clause 20.4 shall, if so (c) expressed, operate to release the Issuer or the previous substitute as aforesaid from all of its obligations under the trust presents and the other Transaction Documents. Not later than 14 days after such consolidation, merger and/or transfer, the New Entity shall give notice thereof in a form previously approved by the Bond Trustee to the Covered Bondholders in the manner provided in Condition 13 (Notices) of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and Condition 10 (Notices) of the N Covered Bond Conditions (in the case of N Covered Bonds). Upon the execution of such documents and compliance with such requirements, the New Entity shall be deemed to be named in the trust presents and the other Transaction Documents to which the Issuer is a party as the principal debtor in place of the Issuer (where the New Entity is the successor entity or transferee company of the Issuer) (or, in each case, in place of the previous substitute under this Clause 20) under the trust presents and the other Transaction Documents, and the trust presents and the other relevant Transaction Documents shall be deemed to be modified in such manner as shall be necessary to give effect to the above

provisions and, without limitation, references in the trust presents and the other relevant Transaction Documents to the Issuer shall, unless the context otherwise requires, be deemed to be or include references to the New Entity.

#### 20.5 Breach

Any breach of or failure to comply by the Issuer or the LLP with any such terms and conditions as are referred to in Clauses 20.1, 20.2(a) or 20.2(f) shall constitute a default by the Issuer or the LLP in the performance or observance of a covenant or provision binding on it under or pursuant to the trust presents.

# 21. HOLDER OF BEARER DEFINITIVE COVERED BOND ASSUMED TO BE RECEIPTHOLDER AND COUPONHOLDER

Wherever in the trust presents the Bond Trustee is required or entitled to exercise a power, trust, authority or discretion under the trust presents, except as ordered by a court of competent jurisdiction or as required by applicable law, the Bond Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each holder of a Bearer Definitive Covered Bond is the holder of all Receipts and Coupons appertaining to such Bearer Definitive Covered Bond.

# 21.2 No Notice to Receiptholders or Couponholders

Neither the Bond Trustee nor the Issuer shall be required to give any notice to the Receiptholders or Couponholders for any purpose under the trust presents and the Receiptholders or Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Covered Bonds in accordance with Condition 13 (*Notices*).

# 22. EXCHANGE RATE INDEMNITY

- 22.1 If a judgment or order is rendered by a court of any particular jurisdiction for the payment of any amounts owing to the Bond Trustee or the Covered Bondholders, Receiptholders or Couponholders under the trust presents, the Covered Bonds, the Receipts or the Coupons, or under a judgment or order of a court of any other jurisdiction in respect thereof or for the payment of damages in respect of either thereof, and any such judgment or order is expressed in a currency (the **Judgment Currency**) other than the currency of the relevant Covered Bonds (the **Contractual Currency**), the Issuer and the LLP shall indemnify and hold the Bond Trustee and the Covered Bondholders and Couponholders harmless against any deficiency arising or resulting from any variation in rates of exchange between the Judgment Currency and the Contractual Currency occurring between (i) the date on which any amount expressed in the Contractual Currency is converted, for the purposes of making or filing any claim resulting in any such judgment or order, into an equivalent amount in the Judgment Currency, and (ii) the date or dates of payment of such amount (or part thereof), or of discharge of such first-mentioned judgment or order (or part thereof), as appropriate.
- 22.2 The above indemnities shall constitute separate and independent obligations of the Issuer and the LLP from their other obligations under the trust presents, shall give rise to separate and independent causes of action, shall apply irrespective of any indulgence granted by the Bond Trustee or the Covered Bondholders, Receiptholders or Couponholders from time to time and shall continue in full force and effect notwithstanding any judgment. Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Bond Trustee and the Covered Bondholders, Receiptholders and Couponholders, and no proof or evidence of any actual loss shall be required by the Issuer, the LLP or its or their liquidator(s).
- 22.3 In the case of Clause 22.1 above, if (upon such payment or discharge as is therein referred to) the Covered Bondholders, Receiptholders or Couponholders would on conversion to the Contractual

Currency receive an amount in excess of the sum due in the Contractual Currency, the Covered Bondholders or, as the case may be, the Receiptholders or Couponholders shall hold such excess to the order of the Issuer or, as the case may be, the LLP.

## 23. NEW BOND TRUSTEE

The power to appoint a new bond trustee of the trust presents shall be vested solely in the Issuer and the LLP jointly but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series. One or more persons may hold office as bond trustee or bond trustees of the trust presents but such bond trustee or bond trustees shall be or include a Trust Corporation. Whenever there shall be more than two bond trustees of the trust presents, the majority of such bond trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Bond Trustee by the trust presents PROVIDED THAT a Trust Corporation shall be included in such majority. Any appointment of a new bond trustee of the trust presents shall, as soon as practicable thereafter, be notified by the Issuer to the Principal Paying Agent, the N Covered Bond Paying Agent, the Registrar, the N Covered Bond Registrar, the Security Trustee and the Covered Bondholders.

#### 24. SEPARATE AND CO-TRUSTEES

Notwithstanding the provisions of Clause 23 (*New Bond Trustee*) above, the Bond Trustee may, upon giving reasonable prior notice to the Issuer and the LLP (after consultation with the Issuer and the LLP but without the consent of the Issuer, the LLP, the Covered Bondholders, Receiptholders or Couponholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate bond trustee or as a co-bond trustee jointly with the Bond Trustee:

- (a) if the Bond Trustee considers such appointment to be in the interests of the Covered Bondholders:
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of the trust presents against the Issuer or the LLP.

Each of the Issuer and the LLP irrevocably appoints the Bond Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of the trust presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Bond Trustee by the trust presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Bond Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Bond Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate bond trustee or co-bond trustee, shall for the purposes of the trust presents be treated as Liabilities incurred by the Bond Trustee.

# 25. BOND TRUSTEE'S RETIREMENT AND REMOVAL

A bond trustee of the trust presents may retire at any time on giving not less than three months' prior written notice to the Issuer, the LLP and the Security Trustee without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Covered Bondholders may by Extraordinary Resolution of all the Covered Bondholders remove any bond

trustee or bond trustees for the time being of the trust presents. Each of the Issuer and the LLP undertakes that, in the event of the only bond trustee of the trust presents which is a Trust Corporation giving notice under this Clause 25 or being removed by Extraordinary Resolution, it will use all reasonable endeavours to procure that a new bond trustee of the trust presents being a Trust Corporation is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such bond trustee shall not become effective until a successor bond trustee being a Trust Corporation is appointed. If, in such circumstances, no appointment of such new bond trustee has become effective within 60 days of the date of such notice or Extraordinary Resolution, the Bond Trustee shall be entitled to appoint a Trust Corporation as bond trustee of the trust presents, but no such appointment shall take effect unless previously approved by an Extraordinary Resolution.

#### BOND TRUSTEE'S POWERS TO BE ADDITIONAL 26.

The powers conferred upon the Bond Trustee by the trust presents shall be in addition to any powers which may from time to time be vested in the Bond Trustee by the general law or as a holder of any of the Covered Bonds, Receipts or Coupons.

#### 27. **NOTICES**

Any notice or demand to the Issuer, the LLP, the Bond Trustee or the Security Trustee to be given, made or served for any purposes under the trust presents or the Deed of Charge shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas) or facsimile transmission or by delivering it by hand as follows:

to the Issuer: 2 Triton Square

Regent's Place London NW1 3AN

(Attention: the Company Secretary) Facsimile No.: +44 20 7756 5627

(with a copy to the LLP)

to the LLP: 2 Triton Square

> Regent's Place London NW1 3AN

(Attention: the Company Secretary) Facsimile No.: +44 20 7756 5627

to the Bond Trustee or the

Winchester House

Security Trustee: 1 Great Winchester Street London EC2N 2DB

(Attention: the Managing Director (ABS/MBS Group))

Facsimile No.: +44 20 7547 5919

or to such other address or facsimile number as shall have been notified (in accordance with this Clause 27) to the other parties hereto and any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served three days (in the case of inland post) or seven days (in the case of overseas post) after despatch and any notice or demand sent by facsimile transmission as aforesaid shall be deemed to have been given, made or served 24 hours after the time of despatch PROVIDED THAT, in the case of a notice or demand given by facsimile transmission, such notice

or demand shall forthwith be confirmed by post. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice or demand given by facsimile transmission.

#### 28. GOVERNING LAW

The trust presents and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

Each party to this Trust Deed hereby irrevocably submits to the non-exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Trust Deed (including an action or proceeding relating to any non-contractual obligations arising out of or in connection with this Trust Deed), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Trust Deed hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

# 29. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to the trust presents has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the trust presents, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## 30. COUNTERPARTS

This Trust Deed and any trust deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Trust Deed or any trust deed supplemental hereto may enter into the same by executing and delivering a counterpart.

**IN WITNESS WHEREOF** this Trust Deed has been executed as a deed by the Issuer, the LLP, the Security Trustee and the Bond Trustee and delivered on the date first stated on page 1.

#### **SCHEDULE 1**

#### TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds (with the exception of the N Covered Bonds) which will be incorporated by reference into, and (as completed by the applicable Final Terms Document in relation to a Tranche of Covered Bonds) apply to, each Global Covered Bond (as defined below) and each Definitive Covered Bond (as defined below), in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms Document (or the relevant provisions thereof) will be endorsed on, or attached to, each Global Covered Bond and Definitive Covered Bond. Reference should be made to "Form of Final Terms Document" for a description of the content of the Final Terms Document which will specify which of such terms are to apply in relation to the relevant Covered Bonds. References to "unlisted Covered Bonds" in the Terms and Conditions set out below shall be in relation to unlisted Covered Bonds which will not be issued pursuant to (and do not form part of) the Prospectus, and will not be issued pursuant to any Final Terms Document under the Prospectus.

In relation to the N Covered Bonds and any Series thereof, the terms and conditions of such N Covered Bonds shall be as set out in the N Covered Bond and the N Covered Bond Conditions attached as Schedule 1 thereto, together with the N Covered Bond Agreement.

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Santander UK plc (the **Issuer**) constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 3 June 2005 (the **Programme Date**) as modified on 16 August 2005 and modified and/or restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 29 June 2012, 12 July 2013, 25 June 2014 and 1 June 2016 and made between, amongst others, the Issuer, Abbey Covered Bonds LLP (the **LLP**) and Deutsche Trustee Company Limited as bond trustee (in such capacity, the **Bond Trustee**, which expression shall include any successor as Bond Trustee) and as security trustee (in such capacity, the **Security Trustee**, which expression shall include any successor as Security Trustee).

Save as provided for in Conditions 9 (*Events of Default, Acceleration and Enforcement*) and 14 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*), references herein to the **Covered Bonds** shall be references to the Covered Bonds of this Series and shall mean:

- (a) any global covered bond representing Covered Bonds (a **Global Covered Bond**);
- (b) in relation to any Covered Bonds represented by a Global Covered Bond, units of the lowest Specified Denomination in the Specified Currency;
- (c) any definitive Covered Bonds in bearer form (**Bearer Definitive Covered Bonds**) issued in exchange for a Global Covered Bond in bearer form; and
- (d) any definitive Covered Bonds in registered form (**Registered Definitive Covered Bonds** and, together with Bearer Definitive Covered Bonds, **Definitive Covered Bonds**) (whether or not issued in exchange for a Global Covered Bond in registered form).

The Covered Bonds, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated the Programme Date as amended and restated on or about 25 June 2014 and made between, amongst others, the Issuer, the LLP, the Bond Trustee, the Security Trustee, Deutsche Bank AG, London Branch, as issuing and principal paying agent and agent bank (in such capacity, the

**Principal Paying Agent**, which expression shall include any successor principal paying agent and, together with the Registrar, the **Paying Agents**, which expression shall include any additional or successor paying agents) and Deutsche Bank Trust Company Americas as registrar (the **Registrar**, which expression shall include any successor registrar, and, together with any transfer agent appointed thereunder, the **Transfer Agents**, which expression shall include any successor transfer agents) and as exchange agent (in such capacity, the **Exchange Agent**, which expression shall include any successor exchange agent, and together with the Paying Agents, the Transfer Agents and any Calculation Agent referred to below, the **Agents**).

Interest-bearing Bearer Definitive Covered Bonds have (unless otherwise indicated in the applicable Final Terms Document) interest coupons (**Coupons**) and, if indicated in the applicable Final Terms Document, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Bearer Definitive Covered Bonds repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Covered Bonds and Global Covered Bonds do not have Receipts, Coupons or Talons attached on issue.

The Final Terms Document for the Covered Bonds (or the relevant provisions thereof) is endorsed on or attached to this Covered Bond and completes these Terms and Conditions (the **Terms and Conditions**). References to the **applicable Final Terms Document** are to the Final Terms Document (or the relevant provisions thereof) endorsed on or attached to this Covered Bond.

The Bond Trustee acts for the benefit of the holders for the time being of the Covered Bonds (the **Covered Bondholders**, which expression shall, in relation to any Covered Bonds represented by a Global Covered Bond, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), and for the holders of each other Series of Covered Bonds in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Covered Bonds which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The LLP has, in the Trust Deed, irrevocably and unconditionally guaranteed the due and punctual payment of Guaranteed Amounts in respect of the Covered Bonds as and when the same shall become Due for Payment, but only after service of a Notice to Pay on the LLP following service of an Issuer Acceleration Notice on the Issuer (after the occurrence of an Issuer Event of Default) or service of an LLP Acceleration Notice on the LLP (after the occurrence of an LLP Event of Default).

The security for the obligations of the LLP under the Covered Bond Guarantee and the other Transaction Documents to which it is a party has been created in and pursuant to, and on the terms set out in, a deed of charge (such deed of charge as amended and/or supplemented and/or restated from time to time, the **Deed of Charge**) dated the Programme Date and made between the LLP, the Bond Trustee, the Security Trustee and certain other Secured Creditors.

These Terms and Conditions include summaries of, and are subject to, the provisions of the Trust Deed, the Deed of Charge and the Agency Agreement.

Copies of the Trust Deed, the Deed of Charge, the Master Definitions and Construction Agreement (as defined below), the Agency Agreement and each of the other Transaction Documents are available for inspection during normal business hours at the office for the time being of the Bond Trustee being at Winchester House, 1 Great Winchester Street, London EC2N 2DB and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms Document for all Covered Bonds of each Series

(including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours at the registered office of the Issuer and at the specified office of each of the Paying Agents. The N Covered Bonds (including the N Covered Bonds Conditions attached as Schedule 1 thereto and the Form of Assignment and Accession Agreement attached as Schedule 2 thereto) will only be available for inspection by a holder of such N Covered Bond **provided that** such holder produces evidence satisfactory to the Issuer and the Paying Agent as to its holding of such N Covered Bond and its identity. The Covered Bondholders, the Receiptholders and the Couponholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Trust Deed, the Deed of Charge, the Master Definitions and Construction Agreement, the Agency Agreement, each of the other Transaction Documents and the applicable Final Terms Document which are applicable to them and to have notice of each of the Final Terms Documents relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Terms and Conditions (including the preceding paragraphs) shall bear the meanings given to them in the applicable Final Terms Document and/or the master definitions and construction agreement made between the parties to the Transaction Documents on or about the 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011 and 24 December 2012, as amended on 12 July 2013 pursuant to a Deed of Amendment and Termination and as amended and restated on 23 June 2015 and 1 June 2016 (as amended and/or supplemented and/or restated from time to time, the **Master Definitions and Construction Agreement**), a copy of each of which may be obtained as described above.

#### 1. Form, Denomination and Title

The Covered Bonds are in bearer form or in registered form as specified in the applicable Final Terms Document and, in the case of Definitive Covered Bonds, serially numbered, in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination and Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and *vice versa*.

The Covered Bonds in this Series may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms Document. Prior to issuing this Series of Covered Bonds (if such Covered Bonds are not Fixed Rate Covered Bonds or Floating Rate Covered Bonds), the Issuer has obtained confirmation from each of the Rating Agencies that the Covered Bonds of this Series will have the same ratings as the ratings of the Covered Bonds of all Series then outstanding and that the ratings of the Covered Bonds of all Series then outstanding will not be adversely affected or withdrawn as a result of the issuance of this Series of Covered Bonds.

The Issuer will not issue unlisted Covered Bonds without first agreeing certain conditions precedent to their issue with the Rating Agencies and will not issue Covered Bonds that are not principal-protected.

The Covered Bonds in this Series may be Instalment Covered Bonds, Hard Bullet Covered Bonds or a combination of either of the foregoing depending upon the Redemption/Payment Basis shown in the applicable Final Terms Document. The Covered Bonds in this Series will be Money Market Covered Bonds if so shown in the applicable Final Terms Document.

Bearer Definitive Covered Bonds are issued with Coupons attached, unless they are Zero Coupon Covered Bonds in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Bearer Definitive Covered Bonds are issued with Receipts, unless they are not Instalment Covered Bonds in which case references to Receipts and Receiptholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Covered Bonds, Receipts and Coupons will pass by delivery and title to the Registered Covered Bonds will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the LLP, the Paying Agents, the Security Trustee and the Bond Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Covered Bond, Receipt or Coupon and the registered holder of any Registered Covered Bond as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Covered Bonds is represented by a Global Covered Bond held on behalf of or, as the case may be, registered in the name of a common depositary for, Euroclear Bank S.A./N.V. (Euroclear) and/or Clearstream Banking, société anonyme (Clearstream, Luxembourg) and/or The Depository Trust Company (DTC) or its nominee, each person (other than Euroclear, Clearstream, Luxembourg or DTC) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error and any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including, without limitation, Euroclear's EUCLID or Clearstream's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified with the amount of such holding) shall be treated by the Issuer, the LLP, the Paying Agents, the Security Trustee and the Bond Trustee as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest or other amounts on such nominal amount of such Covered Bonds, and, in the case of DTC or its nominee, voting, giving consents and making requests, for which purpose the bearer of the relevant Bearer Global Covered Bond or the registered holder of the relevant Registered Global Covered Bond shall be treated by the Issuer, the LLP, any Paying Agent, the Security Trustee and the Bond Trustee as the holder of such nominal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expressions Covered Bondholder and holder of Covered Bonds and related expressions shall be construed accordingly.

Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and DTC or any other relevant clearing system, as the case may be.

References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system specified in the applicable Final Terms Document or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Bond Trustee.

# 2. Transfers of Registered Covered Bonds

# 2.1 Transfers of interests in Registered Global Covered Bonds

Transfers of beneficial interests in Registered Global Covered Bonds will be effected by Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Covered Bonds represented by a Registered Global Covered Bond accepted by DTC to pledge such Covered Bonds to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Covered Bonds may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form. A beneficial interest in a Registered Global Covered Bond will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Registered Definitive Covered Bonds or for a beneficial interest in another Registered Global Covered Bond only in the authorised denominations set out in the applicable Final Terms Document and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Rule 144A Global Covered Bond registered in the name of a nominee for DTC shall be limited to transfers of such Rule 144A Global Covered Bond, in whole but not in part, to another nominee of DTC or to a successor of DTC or to such successor's nominee.

## 2.2 Transfers of Registered Covered Bonds in definitive form

Subject as provided in Conditions 2.3 (Registration of transfer upon partial redemption), 2.4 (Costs of registration), 2.5 (Transfers of interests in Regulation S Global Covered Bonds in the United States or to U.S. persons) and 2.6 (Transfers of interests in Rule 144A Covered Bonds), upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Definitive Covered Bond may be transferred in whole or in part in the authorised denominations set out in the applicable Final Terms Document. In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing, and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent, and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer, the Bond Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in the Agency Agreement).

Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Definitive Covered Bond of a

like aggregate nominal amount to the Registered Definitive Covered Bond (or the relevant part of the Registered Definitive Covered Bond) transferred.

In the case of the transfer of part only of a Registered Definitive Covered Bond, a new Registered Definitive Covered Bond in respect of the balance of the Registered Definitive Covered Bond not transferred will (in addition to the new Registered Definitive Covered Bond in respect of the nominal amount transferred) be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address specified by the transferor.

# 2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Covered Bonds under Condition 6 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Covered Bond, or part of a Registered Covered Bond, called for partial redemption.

# 2.4 *Costs of registration*

Covered Bondholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer, Registrar or Transfer Agent may require the payment of a sum sufficient to cover any stamp duty, Taxes or any other governmental charge that may be imposed in relation to the registration.

2.5 Transfers of interests in Regulation S Global Covered Bonds in the United States or to U.S. persons

Prior to expiry of the applicable Distribution Compliance Period (as defined below), transfers by the holder of, or of a beneficial interest in, a Regulation S Global Covered Bond to a transferee in the United States or who is a U.S. person will only be made:

- (a) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate with the consent of the Issuer (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Covered Bond or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Such transferee may only take delivery through a Rule 144A Covered Bond. Prior to the end of the applicable Distribution Compliance Period, beneficial interests in Regulation S Covered Bonds registered in the name of a nominee for DTC may only be held through the accounts of Euroclear and Clearstream, Luxembourg. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Covered Bonds registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

# 2.6 Transfers of interests in Rule 144A Covered Bonds

Transfers of Rule 144A Covered Bonds or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest through a Regulation S Covered Bond, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Regulation S Global Covered Bond registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg;
- (b) to a transferee who takes delivery of such interest through a Rule 144A Covered Bond, where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Rule 144A Covered Bonds, or upon specific request for removal of any United States securities law legend on Rule 144A Covered Bonds, the Registrar shall deliver only Rule 144A Covered Bonds or refuse to remove the legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

# 2.7 *Definitions*

In these Terms and Conditions, the following expressions shall have the following meanings:

**Definitive Regulation S Covered Bond** means a Registered Covered Bond sold to non-U.S. persons outside the United States in reliance on Regulation S, which is in definitive form;

**Definitive Rule 144A Covered Bond** means a Registered Covered Bond sold in the United States to QIBs in reliance on Rule 144A, which is in definitive form;

**Distribution Compliance Period** means the period that ends 40 days after the later of the commencement of the offering and the Issue Date;

QIB means a "qualified institutional buyer" within the meaning of Rule 144A;

**Regulation S** means Regulation S under the Securities Act:

**Regulation S Covered Bond** means a Covered Bond represented by a Regulation S Global Covered Bond or a Definitive Regulation S Covered Bond;

**Regulation S Global Covered Bond** means a Registered Global Covered Bond representing Covered Bonds sold to non-U.S. persons outside the United States in reliance on Regulation S;

Rule 144A means Rule 144A under the Securities Act;

**Rule 144A Covered Bond** means a Covered Bond represented by a Rule 144A Global Covered Bond or a Definitive Rule 144A Covered Bond;

**Rule 144A Global Covered Bond** means a Registered Global Covered Bond representing Covered Bonds sold in the United States to QIBs in reliance on Rule 144A; and

Securities Act means the United States Securities Act of 1933, as amended.

## 3. Status of the Covered Bonds and the Covered Bond Guarantee

## 3.1 Status of the Covered Bonds

The Covered Bonds and any relative Receipts and Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, other than any obligations preferred by mandatory provisions of applicable law.

# 3.2 Status of the Covered Bond Guarantee

The payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the LLP pursuant to a guarantee (the **Covered Bond Guarantee**) in the Trust Deed. However, the LLP shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts when the same shall become Due for Payment under the Covered Bonds or the Trust Deed until service of a Notice to Pay by the Bond Trustee on the LLP (which the Bond Trustee will be required to serve following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice by the Bond Trustee on the Issuer) or, if earlier, the occurrence of an LLP Event of Default and service of an LLP Acceleration Notice by the Bond Trustee on the LLP. The obligations of the LLP under the Covered Bond Guarantee are, subject as aforesaid, direct, unconditional and unsubordinated obligations of the LLP, which are secured as provided in the Deed of Charge.

Any payment made by the LLP under the Covered Bond Guarantee shall (unless such obligation shall have been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 9 (*Events of Default, Acceleration and Enforcement*)) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds, Receipts and Coupons, except where such payment by the LLP has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the Covered Bondholders.

As security for the LLP's obligations under the Covered Bond Guarantee and the other Transaction Documents to which it is a party, the LLP has granted fixed and floating security over all of its assets under the Deed of Charge in favour of the Security Trustee (for itself and on behalf of the other Secured Creditors).

# 4. Interest

#### 4.1 Interest on Fixed Rate Covered Bonds

Each Fixed Rate Covered Bond bears interest on its Principal Amount Outstanding (as defined in Condition 4.5 (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*), but subject to Condition 4.3 (*Interest following a Notice to Pay*)) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest

will be payable, subject as provided in these Terms and Conditions, in arrear on the Interest Payment Date(s) in each year up to (and including) the Final Maturity Date.

If the Covered Bonds are in definitive form, except as provided in the applicable Final Terms Document, the amount of interest payable on each Interest Payment Date in respect of the Interest Period (as defined in Condition 4.5 (Business Day, Business Day Convention, Day Count Fractions and other adjustments)) ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms Document, amount to the Broken Amount so specified.

Except in the case of Covered Bonds in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms Document, interest shall be calculated in respect of any period by applying the Rate of Interest to: (i) in the case of Fixed Rate Covered Bonds which are represented by a Global Covered Bond, the aggregate outstanding nominal amount of the Fixed Rate Covered Bonds represented by such Global Covered Bond; or (ii) in the case of Fixed Rate Covered Bonds in definitive form, the Calculation Amount; and in each case, multiplying such sum by the applicable Day Count Fraction (as defined in Condition 4.5 (Business Day, Business Day Convention, Day Count Fractions and other adjustments)), and rounding the resultant figure to the nearest sub-unit (as defined in Condition 4.5 (Business Day, Business Day Convention, Day Count Fractions and other adjustments)) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Covered Bond in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

## 4.2 Interest on Floating Rate Covered Bonds

# (a) Interest Payment Dates

Each Floating Rate Covered Bond bears interest on its Principal Amount Outstanding (subject to Condition 4.3 (*Interest following a Notice to Pay*)) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms Document; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms Document, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms Document after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period.

#### (b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds will be determined in the manner specified in the applicable Final Terms Document.

(i) ISDA Determination for Floating Rate Covered Bonds

Where ISDA Determination is specified in the applicable Final Terms Document as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms Document) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other person specified in the applicable Final Terms Document under an interest rate swap transaction if the Principal Paying Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds (the **ISDA Definitions**), and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms Document;
- (B) the Designated Maturity is the period specified in the applicable Final Terms Document; and
- (C) unless otherwise stated in the applicable Final Terms Document, the relevant Reset Date is the first day of that Interest Period.

For the purposes of this subparagraph (i), Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Covered Bonds

Where Screen Rate Determination is specified in the applicable Final Terms Document as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR and US Dollar LIBOR, Brussels time, in the case of EURIBOR or Oslo time, in the case of NIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms Document) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (ii) in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the

case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

#### (c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms Document for a Floating Rate Covered Bond specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms Document for a Floating Rate Covered Bond specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

## (d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent, in the case of Floating Rate Covered Bonds will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Covered Bonds for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Covered Bonds which are represented by a Global Covered Bond, the aggregate outstanding nominal amount of the Covered Bonds represented by such Global Covered Bond; or
- (ii) in the case of Floating Rate Covered Bonds in definitive form, the Calculation Amount.

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Covered Bond in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

#### (e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the LLP, the Bond Trustee and to any stock exchange or other relevant competent authority or quotation system on which the relevant Floating Rate Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to be published in accordance with Condition 13 (Notices) as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 4.5 (Business Day, Business Day Convention, Day Count Fractions and other adjustments)) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will be promptly notified to the Bond Trustee and each stock exchange or other relevant authority on which the relevant Floating Rate Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing or trading and to Covered Bondholders in accordance with Condition 13 (Notices).

# (f) Determination or Calculation by Bond Trustee

If for any reason at any relevant time after the Issue Date, the Principal Paying Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or (ii) above or as otherwise specified in the applicable Final Terms Document, as the case may be, and in each case in accordance with paragraph (d) above, the Bond Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms Document), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Bond Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances. In making any such determination or calculation, the Bond Trustee may appoint and rely on a determination or calculation by a calculation agent (which shall be an investment bank or other suitable entity of international repute). Each such determination or calculation shall be deemed to have been made by the Principal Paying Agent.

## (g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Principal Paying Agent or the Bond Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the LLP, the Principal Paying Agent, the other Paying Agents, the Bond Trustee and all Covered Bondholders, Receiptholders and Couponholders and (in the absence of wilful default, negligence, bad faith or fraud) no liability to the Issuer, the LLP, the Covered Bondholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Bond Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## 4.3 Interest following a Notice to Pay

If a Notice to Pay is served on the LLP, the LLP shall, in accordance with the terms of the Trust Deed, pay Guaranteed Amounts corresponding to the amounts of interest described under Condition

4.1 (*Interest on Fixed Rate Covered Bonds*) or 4.2 (*Interest on Floating Rate Covered Bonds*) (as the case may be) under the Covered Bond Guarantee in respect of the Covered Bonds on the Original Due for Payment Dates and, if applicable, the Extended Due for Payment Date.

#### 4.4 Accrual of interest

Interest (if any) will cease to accrue on each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event, interest will continue to accrue as provided in Condition 6.12 (*Late Payment*).

- 4.5 Business Day, Business Day Convention, Day Count Fractions and other adjustments
  - (a) In these Terms and Conditions, **Business Day** means:
    - (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms Document; and
    - (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre) or as otherwise specified in the applicable Final Terms Document or (B) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system (TARGET2), which utilises a single shared platform and which was launched on 19 November 2007 (the **TARGET System**), is open.
  - (b) If a **Business Day Convention** is specified in the applicable Final Terms Document and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:
    - in any case where Specified Periods are specified in accordance with Condition 4.2(b)(ii) (Screen Rate Determination for Floating Rate Covered Bonds), the Floating Rate Convention, such Interest Payment Date (A) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (II) below shall apply mutatis mutandis, or (B) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day, and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
    - (ii) the **Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
    - (iii) the **Modified Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby

- fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the **Preceding Business Day Convention**, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.
- (c) **Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:
  - (i) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms Document:
    - (A) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period (as defined in Condition 4.5(d) (Business Day, Business Day Convention, Day Count Fractions and other adjustments)) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms Document) that would occur in one calendar year; or
    - (B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of (I) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and (II) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
  - (ii) if **Actual/Actual** or **Actual/Actual** (**ISDA**) is specified in the applicable Final Terms Document, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366, and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
  - (iii) if **Actual/365 (Fixed)** is specified in the applicable Final Terms Document, the actual number of days in the Interest Period divided by 365;
  - (iv) if **Actual/365** (**Sterling**) is specified in the applicable Final Terms Document, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
  - (v) if **Actual/360** is specified in the applicable Final Terms Document, the actual number of days in the Interest Period divided by 360;
  - (vi) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Final Terms Document, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction = 
$$[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)$$

360

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vii) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms Document, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction = 
$$[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)$$
  
360

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls:

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(viii) if **30E/360 (ISDA)** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction = 
$$[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)$$
  
360

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30; or

- (ix) such other Day Count Fraction as may be specified in the applicable Final Terms Document.
- (d) **Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).
- (e) **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.
- (f) **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.
- (g) **Principal Amount Outstanding** means, in respect of a Covered Bond on any day the principal amount of that Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant Covered Bondholder in respect thereof on or prior to that day.
- (h) If **adjusted** is specified in the applicable Final Terms Document against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, as such Interest Payment Date shall, where applicable, be adjusted in accordance with the Business Day Convention.

- (i) If **not adjusted** is specified in the applicable Final Terms Document against the Day Count Fraction, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, but such Interest Payment Dates shall not be adjusted in accordance with any Business Day Convention.
- (j) **sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, euro 0.01.

# 5. Payments

# 5.1 *Method of payment*

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

In the case of Bearer Covered Bonds, payments in U.S. Dollars will be made by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 5, means the United States of America, including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), or by cheque drawn on a United States bank. In no event will payment in respect of Bearer Covered Bonds be made by a cheque mailed to an address in the United States. All payments of interest in respect of Bearer Covered Bonds will be made to accounts located outside the United States except as may be permitted by United States tax law in effect at the time of such payment without detriment to the Issuer.

Payments will be subject in all cases (but without prejudice to the provisions of Condition 7 (*Taxation*)) to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

# 5.2 Presentation of Bearer Definitive Covered Bonds, Receipts and Coupons

Payments of principal and interest (if any) will (subject as provided below) be made in accordance with Condition 5.1 (*Method of payment*) only against presentation and surrender of Bearer Definitive Covered Bonds, Receipts or Coupons (or, in the case of part payment of any sum due, endorsement of the Bearer Definitive Covered Bond (or Coupon)), as the case may be, only at a specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments (if any) of principal other than the final instalment, will (subject as provided below) be made in accordance with Condition 5.1 (Method of payment) only against presentation and surrender (or, in the case of part of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in accordance with Condition 5.1 (Method of payment) only against presentation or surrender (or, in the case of part of any sum due, endorsement) of the Definitive Covered Bond in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Bearer Definitive Covered Bond to which it appertains. If any Bearer Definitive Covered Bond is redeemed or becomes repayable prior to the stated maturity thereof, principal will be payable in accordance with Condition 5.1 (Method of payment) only against presentation and surrender (or, in the case of part payment of any sum, endorsement) of such Bearer Definitive Covered Bond together with all unmatured Receipts appertaining thereto. Receipts presented without the Bearer Definitive Covered Bond to which they appertain and unmatured Receipts do not constitute valid obligations of the Issuer or the LLP. On the date on which any Bearer Definitive Covered Bond becomes due and payable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect of them.

Fixed Rate Covered Bonds in definitive bearer form (other than Long Maturity Covered Bonds) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of matured Talons), failing which an amount equal to the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter.

Upon amounts in respect of any Fixed Rate Covered Bond in definitive bearer form becoming due and repayable by the Issuer (in the absence of a Notice to Pay or an LLP Acceleration Notice) or by the LLP under the Covered Bond Guarantee (if a Notice to Pay or an LLP Acceleration Notice has been served) prior to its Final Maturity Date (or, as the case may be, Extended Due for Payment Date), all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption of any Floating Rate Covered Bond or Long Maturity Covered Bond in definitive bearer form, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Covered Bond** is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the Principal Amount Outstanding of such Covered Bond.

If the due date for redemption of any Bearer Definitive Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Covered Bond from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against presentation and surrender of the relevant Bearer Definitive Covered Bond.

## 5.3 Payments in respect of Bearer Global Covered Bonds

Payments of principal and interest (if any) in respect of Covered Bonds represented by any Bearer Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to Bearer Definitive Covered Bonds and otherwise in the manner specified in the relevant Bearer Global Covered Bond against presentation or surrender, as the case may be, of such Bearer Global Covered Bond, if the Bearer Global Covered Bond is not intended to be issued in NGCB form, at the specified office of any Paying Agent outside the United States. On the occasion of each payment, (i) in the case of any Bearer Global Covered Bond which is not issued in NGCB form, a record of such payment made on such Bearer Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Covered Bond by the Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made and (ii) in the case of any Global Covered Bond which is issued in NGCB form, the Paying Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

No payments of principal, interest or other amounts due in respect of a Bearer Global Covered Bond will be made by mail to an address in the United States or by transfer to an account maintained in the United States.

# 5.4 Payments in respect of Registered Covered Bonds

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Covered Bond at the specified office of the Registrar or any of the Paying Agents. Such payments will be made in accordance with Condition 5.1 (Method of payment) by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register of holders of the Registered Covered Bonds maintained by the Registrar (the Register) at the close of business on the tenth business day (business day being for the purposes of this Condition 5.4 a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the Record Date). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account, or (ii) the principal amount of the Covered Bonds held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Covered Bond (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register at the close of business on the Record Date at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the Registrar not less than three business days before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a Registered Covered Bond, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Covered Bonds which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest

due in respect of each Registered Covered Bond on redemption and the final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Covered Bond.

Holders of Registered Covered Bonds will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Covered Bond as a result of a cheque posted in accordance with this Condition 5.4 arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Covered Bonds.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar (i) to an account specified in accordance with Condition 5.1 (*Method of payment*) identified to DTC by a participant in DTC in respect of its holding of such Covered Bonds, or (ii) to an account in the relevant Specified Currency of the Exchange Agent for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the LLP, the Bond Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

# 5.5 *General provisions applicable to payments*

The holder of a Global Covered Bond (or, as provided in the Trust Deed, the Bond Trustee) shall be the only person entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond and the obligations of the Issuer or the LLP will be discharged by payment to, or to the order of, the holder of such Global Covered Bond (or the Bond Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Covered Bonds represented by such Global Covered Bond must look solely to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or the LLP to, or to the order of, the holder of such Global Covered Bond (or the Bond Trustee, as the case may be). No person other than the holder of the relevant Global Covered Bond (or, as provided in the Trust Deed, the Bond Trustee) shall have any claim against the Issuer or the LLP in respect of any payments due on that Global Covered Bond.

Notwithstanding the foregoing provisions of this Condition 5.5, payments of principal and/or interest in respect of Bearer Covered Bonds in U.S. Dollars will only be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and/or interest on the Bearer Covered Bonds in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- such payment is then permitted under United States law without involving, in the opinion of the Issuer and the LLP, adverse tax consequences to the Issuer or the LLP.

# 5.6 Payment Day

If the date for payment of any amount in respect of any Covered Bond, Receipt or Coupon is not a Payment Day (as defined below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition 5.6 (unless otherwise specified in the applicable Final Terms Document), **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) the relevant place of presentation;
  - (ii) London; and
  - (iii) any Additional Business Centre specified in the applicable Final Terms Document;
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Business Centre) or as otherwise specified in the applicable Final Terms Document or (ii) in relation to any sum payable in euro, a day on which the TARGET System is open; and
- (c) in the case of any payment in respect of a Registered Global Covered Bond denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Covered Bond) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

## 5.7 *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Covered Bonds;
- (c) the Early Redemption Amount of the Covered Bonds but excluding any amount of interest referred to therein;
- (d) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (e) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 6.8 (*Early Redemption Amounts*));

- (g) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds; and
- (h) any Excess Proceeds attributable to principal which may be payable by the Bond Trustee to the LLP in respect of the Covered Bonds.

Any reference in these Terms and Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*) or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

#### 5.8 Redenomination

Where redenomination is specified in the applicable Final Terms Document as being applicable, the Issuer may, without the consent of the Covered Bondholders, the Receiptholders and the Couponholders, on giving prior written notice to the Bond Trustee, the Security Trustee, the Agents, the Registrar (in the case of Registered Covered Bonds), Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Covered Bondholders in accordance with Condition 13 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Covered Bonds shall be redenominated in euro. In relation to any Covered Bonds where the applicable Final Terms Document provides for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area, it shall be a term of any such redenomination that the holder of any Covered Bonds held through Euroclear and/or Clearstream, Luxembourg and/or DTC must have credited to its securities account with the relevant clearing system a minimum balance of Covered Bonds of at least euro 100,000.

The election will have effect as follows:

- (a) the Covered Bonds and any Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Covered Bond and Receipt equal to the nominal amount of that Covered Bond or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, in consultation with the Agents and the Bond Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Covered Bondholders, the competent listing authority, stock exchange and/or market (if any) on or by which the Covered Bonds may be listed and/or admitted to trading and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate nominal amount of Covered Bonds presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if definitive Covered Bonds are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 100,000 and/or such higher amounts as the Agents may determine and notify to the Covered Bondholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Covered Bondholders in euro in accordance with Condition 6 (*Redemption and Purchase*);

- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Covered Bonds) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Covered Bonds, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Covered Bonds, Receipts and Coupons so issued will also become void on that date although those Covered Bonds, Receipts and Coupons will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Covered Bonds, Receipts and Coupons will be issued in exchange for Covered Bonds, Receipts and Coupons denominated in the Specified Currency in such manner as the Agents may specify and as shall be notified to the Covered Bondholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Covered Bonds;
- (e) after the Redenomination Date, all payments in respect of the Covered Bonds, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Covered Bonds to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Covered Bonds are Fixed Rate Covered Bonds and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such subunit being rounded upwards or otherwise in accordance with applicable market convention;
- (g) if the Covered Bonds are Floating Rate Covered Bonds, the applicable Final Terms Document will specify any relevant changes to the provisions relating to interest; and
- (h) such other changes shall be made to this Condition 5.8 (and the Transaction Documents) as the Issuer may decide, after consultation with the Agents and the Bond Trustee, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

## 5.9 Definitions

In these Conditions, the following expressions have the following meanings:

**Established Rate** means the rate for the conversion of the relevant Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty.

**euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty.

**Rate of Interest** means the rate of interest payable from time to time in respect of Fixed Rate Covered Bonds and Floating Rate Covered Bonds, as determined in, or as determined in the manner specified in, the applicable Final Terms Document.

**Redenomination Date** means (in the case of interest bearing Covered Bonds) any date for payment of interest under the Covered Bonds or (in the case of Zero Coupon Covered Bonds) any date, in each case specified by the Issuer in the notice given to the Covered Bondholders pursuant to Condition 5.8(a) above and which falls on or after the date on which the country of the relevant Specified Currency first participates in the third stage of European economic and monetary union.

**Treaty** means the Treaty establishing the European Community, as amended.

#### 6. Redemption and Purchase

## 6.1 Final redemption

Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms Document in the relevant Specified Currency on the Final Maturity Date.

Without prejudice to Condition 9 (Events of Default, Acceleration and Enforcement), if an Extended Due for Payment Date is specified in the applicable Final Terms Document for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms Document (in each case after the expiry of the grace period set out in Condition 9.1(a)) and following service of a Notice to Pay on the LLP by no later than the date falling one Business Day prior to the Extension Determination Date, the LLP has insufficient monies available under the Guarantee Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of Covered Bonds on the date falling on the earlier of (a) the date which falls two Business Days after service of a Notice to Pay on the LLP or, if later, the Final Maturity Date (in each case after the expiry of the grace period set out in Condition 9.2(a)) and (b) the Extension Determination Date, under the Covered Bond Guarantee, then (subject as provided below) payment of the unpaid portion of the Final Redemption Amount by the LLP under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above will be paid by the LLP to the extent it has sufficient monies available under the Guarantee Priority of Payments on any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

The LLP shall notify the relevant Covered Bondholders (in accordance with Condition 13 (*Notices*)), the Rating Agencies, the Bond Trustee, the Security Trustee, the Principal Paying Agent and (in the case of Registered Covered Bonds) the Registrar as soon as reasonably practicable and in any event at least one Business Day prior to the date specified in (a) or (b) of the preceding paragraph (as appropriate) of any inability of the LLP to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the LLP to notify such parties shall not affect the validity or effectiveness of the extension nor shall any rights accrue to any of them by virtue thereof.

In the circumstances outlined above, the LLP shall on the earlier of (a) the date falling two Business Days after service of a Notice to Pay or, if later, the Final Maturity Date (in each case after the expiry of the grace period set out in Condition 9.2(a)), and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) *pro rata* in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and shall pay Guaranteed Amounts constituting the corresponding part of Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the LLP to pay any amounts in respect of the balance of the Final

Redemption Amount not so paid shall be deferred as described above. Such failure to pay by the LLP shall not constitute an LLP Event of Default.

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the liabilities of the LLP under the Covered Bond Guarantee in connection with this Condition 6.1.

## 6.2 Redemption for taxation reasons

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the relevant Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if the relevant Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Bond Trustee and, in accordance with Condition 13 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that on the occasion of the next date for payment of interest on the relevant Covered Bonds the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 7 (*Taxation*). Covered Bonds redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.8 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

#### 6.3 Money Market Covered Bond Mandatory Transfer

- (a) If remarketing arrangements are specified as applicable in the relevant Final Terms Document in relation to Money Market Covered Bonds, such Money Market Covered Bonds shall, subject to paragraph (c) below, be transferred in accordance with paragraph (b) below on each Transfer Date prior to the occurrence of a Mandatory Transfer Termination Event, as confirmed by the Remarketing Bank providing a Conditional Purchase Confirmation to the Issuer and the Principal Paying Agent, in exchange for payment of the Transfer Price and the Issuer and the Principal Paying Agent will procure payment of the Transfer Price to the Covered Bondholders of the Money Market Covered Bonds on the relevant Transfer Date.
- (b) Subject to paragraphs (a) above and (c) below, all the interests of the Covered Bondholders in the Money Market Covered Bonds shall be transferred on the relevant Transfer Date to the account of the Remarketing Bank on behalf of the relevant purchasers or as otherwise notified by or on behalf of the Remarketing Bank prior to such date or if Money Market Covered Bonds in definitive form are then issued, the Money Market Covered Bonds will be registered in the name of the Remarketing Bank or as otherwise notified by or on behalf of the Remarketing Bank by the Registrar and the Register will be amended accordingly with effect from the relevant Transfer Date.
- (c) Any holder of a Money Market Covered Bond may exercise his right to retain such Money Market Covered Bond through the facilities of DTC at any time prior to the commencement of the Remarketing Period that ends immediately before the relevant Transfer Date.

## 6.4 Redemption at the option of the Issuer (Issuer Call)

If an Issuer Call is specified in the applicable Final Terms Document, the Issuer may, having given not less than 15 nor more than 30 days' notice or such other period of notice as may be specified in the applicable Final Terms Document to the Bond Trustee, the Principal Paying Agent, the Registrar (in the case of the redemption of Registered Covered Bonds) and, in accordance with Condition 13 (*Notices*), the Covered Bondholders (which notice shall be irrevocable) redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms Document together, if applicable, with interest accrued to (but excluding) the relevant

Optional Redemption Date(s). The Issuer shall be bound to redeem the Covered Bonds on the date specified in the notice. In the event of a redemption of some only of the Covered Bonds, such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount (if any) as specified in the applicable Final Terms Document. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the Redeemed Covered Bonds) will be selected individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, and in accordance with the rules of DTC, Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Covered Bonds represented by a Global Covered Bond, in each case, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the Selection Date). In the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 13 (Notices) not less than 15 days (or such shorter period as may be specified in the applicable Final Terms Document) prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds or represented by Global Covered Bonds shall, in each case, bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds or Global Covered Bonds outstanding bears, in each case, to the aggregate nominal amount of the Covered Bonds outstanding on the Selection Date, provided that such nominal amounts shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.4 and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 13 (Notices) at least five days (or such shorter period as is specified in the applicable Final Terms Document) prior to the Selection Date.

## 6.5 Redemption at the option of the Covered Bondholders (Investor Put)

If an investor put is specified in the Final Terms Document (the **Investor Put**), then if and to the extent specified in the applicable Final Terms Document, upon the holder of the relevant Covered Bond giving to the Issuer, in accordance with Condition 13 (*Notices*), not less than 30 nor more than 60 days' (or such other notice period specified in the applicable Final Terms Document) notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice **provided that** the Cash Manager has notified the Bond Trustee in writing that there will be sufficient funds available to pay any termination payment due to the relevant Covered Bond Swap Provider(s), redeem subject to, and in accordance with, the terms specified in the applicable Final Terms Document in whole (but not in part) such Covered Bond on the Optional Redemption Date and at the relevant Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Final Terms Document, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

If the Covered Bond is in definitive form, to exercise the right to require redemption of the Covered Bond, the holder of the Covered Bond must deliver such Covered Bond, on any Business Day (as defined in Condition 4.5 (*Business Day, Business Day Convention, Day Count Fractions and other adjustments*)) falling within the above-mentioned notice period at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise of the Investor Put in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 6.5.

It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms Document.

#### 6.6 *Redemption due to illegality or invalidity*

- (a) The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 13 (*Notices*), all Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for (i) the Issuer to make, fund or allow to remain outstanding any Term Advance made by it to the LLP under the Intercompany Loan Agreement and/or (ii) the Issuer or the LLP to make any payment of interest, principal or any other amount on, or to allow to remain outstanding, any Covered Bond of any Series, in each case, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.
- (b) Covered Bonds redeemed pursuant to Condition 6.6(a) will be redeemed at their Early Redemption Amount referred to in Condition 6.8 together (if appropriate) with interest accrued to (but excluding) the date of redemption.
- (c) Covered Bonds redeemed pursuant to Condition 6.6(b) will be redeemed:
  - (i) in the case of Covered Bonds other than Fixed Rate Covered Bonds, at their Principal Amount Outstanding; and
  - (ii) in the case of Fixed Rate Covered Bonds, at a price which shall be the higher of:
    - (A) their Principal Amount Outstanding, together with interest accrued to (but excluding) the date of redemption; and
    - (B) an appropriate make-whole amount deemed fair by an investment bank or other suitable entity of international repute nominated by the Issuer and approved in writing by the Bond Trustee.

#### 6.7 General

Prior to the publication of any notice of redemption pursuant to Conditions 6.2, 6.6(a) or 6.6(c), the Issuer shall deliver to the Bond Trustee a certificate signed by two Issuer Authorised Signatories stating that the Issuer is entitled or required to effect such redemption and setting forth a statement of facts showing that the conditions set out in Conditions 6.2, 6.6(a) or, as the case may be, 6.6(c) for such right or obligation (as applicable) of the Issuer to arise have been satisfied and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions set out above, in which event it shall be conclusive and binding on all Covered Bondholders, Receiptholders and Couponholders.

## 6.8 Early Redemption Amounts

For the purpose of Conditions 6.2 and 6.6(a) and Condition 9, each Covered Bond will be redeemed (unless otherwise stated in the applicable Final Terms Document) at its Early Redemption Amount calculated as follows:

(a) in the case of a Covered Bond other than a Zero Coupon Covered Bond (but including an Instalment Covered Bond), at the amount specified in, or determined in the manner specified in, the applicable Final Terms Document or, if no such amount or manner is so specified in

the applicable Final Terms Document, at its Principal Amount Outstanding, together with interest accrued to (but excluding) the date fixed for redemption; and

- (b) in the case of a Zero Coupon Covered Bond, at an amount (the **Amortised Face Amount**) equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable.

Where such calculation in paragraph (b) above is to be made for a period which is not a whole number of years, it shall be made (A) in the case of a Zero Coupon Covered Bond payable in a Specified Currency other than euro, on the basis of a 360-day year consisting of 12 months of 30 days each or (B) in the case of a Zero Coupon Covered Bond payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 365 and (y) the number of those days falling in a non leap year divided by 365).

#### 6.9 *Instalments*

Instalment Covered Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6.8.

#### 6.10 Purchases

The Issuer or any of its subsidiaries (including the LLP) may at any time purchase or otherwise acquire Covered Bonds (provided that, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons appertaining thereto are attached thereto or surrendered therewith) at any price in the open market either by tender or private agreement or otherwise. If purchases are made by tender, tenders must be available to all Covered Bondholders alike. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer or the relevant subsidiary, surrendered to any Paying Agent and/or the Registrar for cancellation (except that any Covered Bonds purchased or otherwise acquired by the LLP must immediately be surrendered to any Paying Agent and/or the Registrar for cancellation).

#### 6.11 Cancellation

All Covered Bonds which are redeemed will forthwith be cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Covered Bonds so cancelled and any Covered Bonds purchased and surrendered for cancellation pursuant to Condition 6.10 and cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

## 6.12 Late Payment

If any amount payable in respect of any Covered Bond is improperly withheld or refused upon its becoming due and repayable or is paid after its due date, the amount due and repayable in respect of such Covered Bond (the **Late Payment**) shall itself accrue interest (both before and after any

judgment or other order of a court of competent jurisdiction) from (and including) the date on which such payment was improperly withheld or refused or, as the case may be, became due, to (but excluding) the Late Payment Date in accordance with the following provisions:

- (a) in the case of a Covered Bond other than a Zero Coupon Covered Bond (but including an Instalment Covered Bond) at the rate determined in accordance with Condition 4.1 (*Interest on Fixed Rate Covered Bonds*) or 4.2 (*Interest on Floating Rate Covered Bonds*), as the case may be; and
- (b) in the case of a Zero Coupon Covered Bond, at a rate equal to the Accrual Yield,

in each case on the basis of the Day Count Fraction specified in the applicable Final Terms Document or, if none is specified, on a 30/360 basis.

For the purpose of this Condition 6.12, the **Late Payment Date** shall mean the earlier of:

- (i) the date which the Bond Trustee determines to be the date on which, upon further presentation of the relevant Covered Bond, payment of the full amount (including interest as aforesaid) in the relevant currency in respect of such Covered Bond is to be made; and
- (ii) the seventh day after notice is given to the relevant Covered Bondholder (whether individually or in accordance with Condition 13 (*Notices*)) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Covered Bond is available for payment,

provided that in the case of both (i) and (ii), upon further presentation thereof being duly made, such payment is made.

## 7. Taxation

All payments of principal and interest (if any) in respect of the Covered Bonds, Receipts and Coupons by or on behalf of the Issuer or the LLP, as the case may be, will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach or agreement thereto). In the event of a withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax being made by the Issuer in respect of a payment made by it, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest, if any, which would otherwise have been receivable in respect of the Covered Bonds, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Covered Bond, Receipt or Coupon:

- (a) presented for payment, where presentation is required, in the United Kingdom; or
- (b) to a holder who (i) is able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration of non-residence or other claim for exemption to the relevant taxing authority but fails to do so, or (ii) is liable for such taxes, duties,

assessments or governmental charges in respect of such Covered Bonds, Receipts or Coupons (as the case may be) by reason of his having some connection with the United Kingdom other than merely by reason of the holding of such Covered Bonds, Receipts or Coupons; or

- (c) presented for payment, where presentation is required, more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on the last day of such period of 30 days; or
- (d) for any withholding or deduction for taxes, duties, assessments or governmental charges that would not have been imposed but for a failure by the holder or beneficial owner (or any financial institution through which the holder or beneficial owner holds any Covered Bond through which payment on the Covered Bond is made) to comply with any certification, information, identification, documentation or other reporting requirements (including entering into and complying with an agreement with the Internal Revenue Service) imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or intergovernmental agreement, or legislation enacted pursuant thereto, to implement such provisions) as in effect on the date of issuance of the Covered Bonds or any successor or amended version of these provisions.

As used herein, the **Relevant Date** means the date on which payment in respect of the Covered Bond, Receipt or Coupon first becomes due and payable but, if the full amount of the monies payable on such date has not been received by the Principal Paying Agent or the Bond Trustee on or prior to such date, the **Relevant Date** shall be the date on which such monies shall have been so received and notice to that effect has been given to Covered Bondholders in accordance with Condition 13 (*Notices*).

If any payments made by the LLP under the Covered Bond Guarantee are or become subject to any withholding or deduction on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom or any political subdivision thereof or by any authority therein or thereof having power to tax, the LLP will not be obliged to pay any additional amount as a consequence. Any such deduction shall not constitute an LLP Event of Default under Condition 9 (Events of Default, Acceleration and Enforcement)

#### 8. Prescription

The Covered Bonds (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within ten years (in the case of principal) and five years (in the case of interest) in each case from the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor, subject in each case to the provisions of Condition 5.

The Issuer shall be discharged from its obligation to pay principal on a Registered Covered Bond to the extent that the relevant Registered Covered Bond certificate has not been surrendered to the Registrar by, or a cheque which has been duly despatched in the Specified Currency remains uncashed at, the end of the period of ten years from the Relevant Date for such payment.

The Issuer shall be discharged from its obligation to pay interest on a Registered Covered Bond to the extent that a cheque which has been duly dispatched in the Specified Currency remains uncashed at the end of the period of five years from the Relevant Date in respect of such payment.

There shall not be included in any Coupon sheet issued on exchange of a Talon, any Coupon the claim for payment in respect of which would be void pursuant to this Condition 8 (*Prescription*) or Condition 5 (*Payments*) or any Talon which would be void pursuant to Condition 5 (*Payments*).

## 9. Events of Default, Acceleration and Enforcement

## 9.1 Issuer Events of Default

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution referred to in this Condition 9.1 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in Sterling converted into Sterling at the relevant Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the Covered Bondholders shall (subject in each case to being indemnified and/or secured to its satisfaction), give notice (an **Issuer Acceleration Notice**) in writing to the Issuer, and to the FCA pursuant to the RCB Regulations, that, as against the Issuer (but not, for the avoidance of doubt, against the LLP under the Covered Bond Guarantee), each Covered Bond of each Series is, and each such Covered Bond shall thereupon immediately become, due and repayable at its Early Redemption Amount together with (to the extent not included in the Early Redemption Amount) accrued interest as provided in the Trust Deed if any of the following events (each an **Issuer Event of Default**) shall occur and be continuing:

- (a) if default is made by the Issuer for a period of 14 days or more in the payment of any principal or interest due in respect of the Covered Bonds or any of them; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Covered Bonds or Receipts or Coupons of any Series of Covered Bonds or the Trust Deed or any other Transaction Documents to which the Issuer is a party (other than the Programme Agreement and the Subscription Agreement), but excluding (i) any obligation of the Issuer to comply with the Asset Coverage Test or any representations or warranties given by the Issuer thereunder or pursuant thereto, or (ii) any obligation of the Issuer which relates solely to compliance with its obligations under the RCB Regulations and breach of which would not otherwise constitute a breach of the other terms of the Transaction Documents, and (except where the Bond Trustee considers such failure to be incapable of remedy when no such continuation or notice as is hereinafter referred to will be required) such failure continues for the period of 30 days (or such longer period as the Bond Trustee may permit) next following the service by the Bond Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if an effective resolution is passed or an order is made for the winding up or dissolution of the Issuer (except for the purposes of a reconstruction or amalgamation, the terms of which have previously been approved in writing by the Bond Trustee or by an Extraordinary Resolution of the Covered Bondholders or which has been effected in compliance with the terms of Condition 14 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*)); or
- (d) if an Asset Coverage Test Breach Notice has been served and not revoked (in accordance with the terms of the Transaction Documents) on or before the third Calculation Date after service of such Asset Coverage Test Breach Notice,

**provided that** any condition, event or act described in paragraph (b) above shall only constitute an Issuer Event of Default if the Bond Trustee shall have certified in writing to the Issuer and the LLP that such condition, event or act is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series.

Upon the Covered Bonds becoming immediately due and payable against the Issuer pursuant to this Condition 9.1 (*Issuer Events of Default*), the Bond Trustee shall forthwith serve a notice to pay (the **Notice to Pay**) on the LLP pursuant to the Covered Bond Guarantee. If a Notice to Pay has been

served, the LLP shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Following service of an Issuer Acceleration Notice, the Bond Trustee may or shall take such proceedings against the Issuer in accordance with the first paragraph of Condition 9.3 (*Enforcement*).

The Trust Deed provides that all monies received by the Bond Trustee from the Issuer or any administrator, administrative receiver, receiver, liquidator or other similar official appointed in relation to the Issuer following service of an Issuer Acceleration Notice (the Excess Proceeds), shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the LLP for its own account, as soon as practicable, and shall be held by the LLP in the GIC Account and the Excess Proceeds shall thereafter form part of the Security and shall be used by the LLP in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Deed of Charge and the LLP Deed. Any Excess Proceeds received by the Bond Trustee shall discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds, Receipts and Coupons. However, the obligations of the LLP under the Covered Bond Guarantee are (following service of a Notice to Pay) unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds shall not reduce or discharge any of such obligations. By subscribing for Covered Bond(s), each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the LLP in the manner as described above.

## 9.2 *LLP Events of Default*

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25% of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 9.2 means the Covered Bonds of this Series together with the Covered Bonds of any other Series constituted by the Trust Deed) then outstanding as if they were a single Series (with the nominal amount of Covered Bonds not denominated in Sterling converted into Sterling at the relevant Covered Bond Swap Rate) or if so directed by an Extraordinary Resolution of all the Covered Bondholders, shall (subject in each case to being indemnified and/or secured to its satisfaction) give notice (the LLP Acceleration Notice) in writing to the Issuer and the LLP, that (i) each Covered Bond of each Series is, and each Covered Bond of each Series shall, as against the Issuer (if not already due and repayable against the Issuer following service of an Issuer Acceleration Notice), thereupon immediately become due and repayable at its Early Redemption Amount together with (to the extent not already included in the Early Redemption Amount) accrued interest, and (ii) all amounts payable by the LLP under the Covered Bond Guarantee shall thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series, together with (to the extent not already included in the Early Redemption Amount) accrued interest, in each case as provided in the Trust Deed and thereafter the Security shall become enforceable if any of the following events (each an LLP Event of Default) shall occur and be continuing:

- (a) if default is made by the LLP for a period of seven days or more in the payment of any Guaranteed Amounts which are Due for Payment on the relevant Guaranteed Amounts Due Date in respect of the Covered Bonds of any Series, except in the case of the payments of a Guaranteed Amount which is Due for Payment under Condition 6.1 (*Final redemption*) when the LLP shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or
- (b) if default is made by the LLP in the performance or observance of any obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the Trust Deed, the Deed of Charge or any other Transaction Document (other than the obligation to satisfy the Asset

Coverage Test in accordance with Clause 11 of the LLP Deed) to which the LLP is a party and (except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required), such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the LLP requiring the same to be remedied; or

- (c) if an order is made or an effective resolution passed for the liquidation or winding up of the LLP; or
- (d) if the LLP ceases or threatens to cease to carry on its business or substantially the whole of its business; or
- (e) if the LLP is unable, or admits inability, to pay its debts generally as they fall due or shall be adjudicated or found bankrupt or insolvent; or
- (f) if proceedings are initiated against the LLP under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition or the filing of documents with a court or any registrar for its winding-up, administration or dissolution or the giving notice of the intention to appoint an administrator (whether out of court or otherwise)); or a receiver, administrator, trustee or other similar official shall be appointed (whether out of court or otherwise) in relation to the LLP or in relation to the whole or any part of its assets, or a distress, diligence or execution or other process shall be levied or enforced upon or sued out against the whole or any part of its assets, or if the LLP shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws or shall make a conveyance, assignment or assignation for the benefit of, or shall enter into any composition with, its creditors generally; or
- (g) if there is a failure to satisfy the Amortisation Test (as set out in the LLP Deed) on any Calculation Date following service of a Notice to Pay,

**provided that** any condition, event or act described in subparagraphs (b) and (d) to (g) (inclusive) above shall only constitute an LLP Event of Default if the Bond Trustee shall have certified in writing to the Issuer and the LLP that such condition, event or act is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series.

Following service of an LLP Acceleration Notice, each of the Bond Trustee and the Security Trustee may or shall take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9.3 (*Enforcement*).

Upon service of an LLP Acceleration Notice, the Covered Bondholders shall have a claim against the LLP, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount in respect of each Covered Bond together with (to the extent not included in the Early Redemption Amount) accrued interest and any other amount due under such Covered Bonds (other than additional amounts payable under Condition 7 (*Taxation*)) as provided in the Trust Deed.

# 9.3 Enforcement

The Bond Trustee may, at any time, at its discretion and without further notice, take such proceedings against the Issuer or the LLP, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Trust Deed, the Covered Bonds, the Receipts, the Coupons or any other Transaction Document, but it shall not be bound to take any such enforcement proceedings in relation to the Trust Deed, the Covered Bonds, the Receipts, the Coupons or any

other Transaction Document unless (i) it shall have been so directed by an Extraordinary Resolution of all the Covered Bondholders of all Series (with the Covered Bonds of all Series taken together as a single Series as aforesaid) or so requested in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (taken together and converted into Sterling at the relevant Covered Bond Swap Rate as aforesaid) and (ii) it shall have been indemnified and/or secured to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series and shall not have regard to the interests of any other Secured Creditors.

The Security Trustee may, at any time, at its discretion and without further notice, take such proceedings against the LLP and/or any other person as it may think fit to enforce the provisions of the Deed of Charge or any other Transaction Document in accordance with its terms and may, at any time after the Security has become enforceable, take such proceedings or steps as it may think fit to enforce the Security, but it shall not be bound to take any such proceedings or steps unless (i) it shall have been so directed by an Extraordinary Resolution of all the Covered Bondholders of all Series (with the Covered Bonds of all Series taken together as a single Series as aforesaid) or a request in writing by the holders of not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (taken together and converted into Sterling at the relevant Covered Bond Swap Rate as aforesaid), and (ii) it shall have been indemnified and/or secured to its satisfaction. In exercising any of its powers, trusts, authorities and discretions under this paragraph the Security Trustee shall only have regard to the interests of the Covered Bondholders of all Series and shall not have regard to the interests of any other Secured Creditors.

No Covered Bondholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the LLP or to take any action with respect to the Trust Deed, any other Transaction Document, the Covered Bonds, the Receipts, the Coupons, or the Security, unless the Bond Trustee or the Security Trustee, as applicable, having become bound so to proceed, fails so to do within a reasonable period and such failure shall be continuing.

## 10. Replacement of Covered Bonds, Receipts, Coupons and Talons

If any Covered Bond, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent in London (in the case of Bearer Covered Bonds, Receipts or Coupons) or the Registrar (in the case of Registered Covered Bonds), or any other place approved by the Bond Trustee, of which notice shall have been given to the Covered Bondholders in accordance with Condition 13 (*Notices*), upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Covered Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 11. Principal Paying Agent, Paying Agents, Registrar, Transfer Agent and Exchange Agent

The names of the initial Principal Paying Agent, the initial Registrar, the initial Exchange Agent and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Bond Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar;

- (b) the Issuer will, so long as any Covered Bond is outstanding, maintain a Paying Agent (which may be the Principal Paying Agent) having a specified office in a city approved by the Bond Trustee in Europe;
- (c) so long as any Covered Bond is listed on any stock exchange or admitted to listing or trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Covered Bonds) and a Transfer Agent (in the case of Registered Covered Bonds) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or, as the case may be, other relevant authority; and
- (d) so long as any of the Registered Global Covered Bonds payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in the United States.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in the United States in the circumstances described in Condition 5.5 (*General provisions applicable to payments*). Notice of any such variation, termination, appointment or change will be given by the Issuer to the Covered Bondholders as soon as reasonably practicable in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the LLP and, in certain circumstances specified therein, of the Bond Trustee and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## 12. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Bearer Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

#### 13. Notices

All notices regarding the Bearer Covered Bonds will be valid if published in one leading English language daily newspaper of general circulation in London or any other daily newspaper in London approved by the Bond Trustee. The Issuer or, in the case of a notice given by the Bond Trustee or the Security Trustee, the Bond Trustee or the Security Trustee (as the case may be) shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Bearer Covered Bonds are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers or where published in such newspapers on different dates, the last date of such first publication. If publication as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Bond Trustee shall approve.

All notices regarding the Registered Covered Bonds will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Covered Bonds

are listed, quoted or traded on a stock exchange or are admitted to listing or trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice will be deemed to have been given on the date of such publication. If the giving of notice as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Bond Trustee shall approve.

So long as the Covered Bonds are represented in their entirety by any Global Covered Bonds held on behalf of DTC and/or Euroclear and/or Clearstream, Luxembourg, there may be substituted for such publication in such newspaper(s) or such mailing, the delivery of the relevant notice to DTC and/or Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Covered Bonds provided that, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to listing or trading by any other relevant authority and the rules of the stock exchange, or as the case may be, other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or, as the case may be, any other relevant authority. Any such notice shall be deemed to have been given to the holders of the Covered Bonds on the third day after the day on which the said notice was given to DTC and/or Euroclear and/or Clearstream, Luxembourg, as appropriate.

Notices to be given by any Covered Bondholder shall be in writing and given by lodging the same, together (in the case of any Covered Bond in definitive form) with the relevant Covered Bond or Covered Bonds, with the Principal Paying Agent (in the case of Bearer Covered Bonds) or the Registrar (in the case of Registered Covered Bonds). Whilst any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any holder of a Covered Bond to the Principal Paying Agent or the Registrar through DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and DTC and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

#### 14. Meetings of Covered Bondholders, Modification, Waiver and Substitution

Covered Bondholders, Receiptholders, Couponholders and other Secured Parties should note that the Issuer, the LLP and the Principal Paying Agent may, without their consent or the consent of the Bond Trustee or the Security Trustee, agree to modify any provision of any Final Terms Document which is of a formal, minor or technical nature or is made to correct a proven or manifest error or to comply with any mandatory provisions of law.

The Trust Deed contains provisions for convening meetings of the Covered Bondholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions, the N Covered Bond Conditions applicable to a particular Series of N Covered Bonds or the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the LLP or the Bond Trustee and shall be convened by the Issuer at the request in writing of Covered Bondholders holding not less than 10 per cent. of the Principal Amount Outstanding of the Covered Bonds for the time being outstanding. The quorum at any such meeting in respect of any Covered Bonds of any Series for passing an Extraordinary Resolution is one or more persons holding or representing not less than a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing Covered Bondholders of such Series whatever the nominal amount of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes the modification of any Series Reserved Matter, the quorum shall be one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding.

An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series shall, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting, and on all Receiptholders and Couponholders in respect of such Series of Covered Bonds. Pursuant to the Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph shall apply thereto *mutatis mutandis*.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 9 (Events of Default, Acceleration and Enforcement) or to direct the Bond Trustee or the Security Trustee to take any enforcement action pursuant to Condition 9 (Events of Default, Acceleration and Enforcement) (each a **Programme Resolution**) shall only be capable of being passed at a single meeting of the holders of the Covered Bonds of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the LLP or the Bond Trustee or by Covered Bondholders, in the case of a direction to accelerate the Covered Bonds pursuant to Conditions 9.1 (Issuer Events of Default) and 9.2 (LLP Events of Default) or to take enforcement action pursuant to Condition 9.3 (Enforcement), holding at least 25 per cent. of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing at least a clear majority of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the nominal amount of the Covered Bonds of all Series then outstanding. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series shall be binding on all Covered Bondholders of all Series, whether or not they are present at the meeting, and on all related Receiptholders and Couponholders in respect of such Covered Bonds.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in Sterling, the nominal amount of the Covered Bonds of any Series not denominated in Sterling shall be converted into Sterling at the relevant Covered Bond Swap Rate.

The Bond Trustee and the Security Trustee may in the case of (a) and (b) below, and the Bond Trustee and the Security Trustee shall in the case of (c) and (d) below, agree and the LLP and the Issuer may also agree, without the consent of the Covered Bondholders, Receiptholders or Couponholders of any Series and without the consent of the other Secured Creditors (and for the purposes of (a), (b) and (d) below the Bond Trustee and the Security Trustee may disregard whether any such modification relates to a Series Reserved Matter), to:

- (a) any modification of the terms and conditions applying to Covered Bonds of one or more Series (including these Terms and Conditions), the related Receipts and/or Coupons or any Transaction Document **provided that** (i) in the sole opinion of the Bond Trustee such modification is not materially prejudicial to the interests of any of the Covered Bondholders of any Series, and (ii) in the sole opinion of the Security Trustee, such modification is not materially prejudicial to the interests of any of the Covered Bondholders of any Series or the Covered Bond Swap Providers or the Interest Rate Swap Provider, except for any Covered Bond Swap Provider or the Interest Rate Swap Provider who is a member of the Enlarged Santander UK Group; or
- (b) any modification of the terms and conditions applying to Covered Bonds of any one or more Series (including these Terms and Conditions), the related Receipts and/or Coupons or any Transaction Document which is, in the sole opinion of the Bond Trustee or the Security Trustee (as the case may be), of a formal, minor or technical nature or is to correct a

- manifest error or an error which is, in the sole opinion of the Bond Trustee or the Security Trustee (as the case may be), proven, or is to comply with mandatory provisions of law; or
- EMIR Related Modifications (as defined below), with respect only to Covered Bonds issued (c) on or after 12 July 2013 (and which are not consolidated and form a single series with any Covered Bonds issued prior to such date), and subject to receipt by the Bond Trustee and the Security Trustee of a certificate of the Issuer signed by two Issuer Authorised Signatories or the LLP signed by a Designated Member certifying to the Bond Trustee and the Security Trustee that (a) the requested modifications of the terms and conditions applying to Covered Bonds of any one or more Series (including these Terms and Conditions), the related Receipts and/or Coupons and/or any relevant Transaction Documents are to be made solely for the purpose of enabling the Issuer or the LLP to comply with any requirements which apply to it under Regulation (EU) 648/2012 (the European Market Infrastructure Regulation or EMIR) (EMIR Related Modifications) and (b) such EMIR Related Modifications do not relate to a Series Reserved Matter, and the Covered Bondholders and other Secured Creditors shall be deemed to have instructed the Bond Trustee and the Security Trustee to concur in making any and all such EMIR Related Modifications and shall be bound by such EMIR Related Modifications to the Transaction Documents and/or these Terms and Conditions regardless of whether or not such modifications are materially prejudicial to the interests of Covered Bondholders and the other Secured Creditors, provided that neither the Bond Trustee nor the Security Trustee shall be obliged to agree to any EMIR Related Modification which, in the sole opinion of the Bond Trustee or the Security Trustee, would have the effect of (a) exposing the Bond Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections of the Bond Trustee and/or the Security Trustee under the Transaction Documents and/or these Terms and Conditions; or
- (d) any Ratings Modification Event (as defined below) with respect only to Covered Bonds issued on or after 25 June 2014 (and which are not consolidated with and do not form a single Series with any Series of Covered Bonds issued prior to such date) and subject to receipt by the Bond Trustee and the Security Trustee of a certificate of the Issuer signed by two Issuer Authorised Signatories certifying that the requested modifications to the Terms and Conditions applying to such Covered Bonds and/or any related Receipts and/or Coupons or any Transaction Documents are to be made solely for the purposes of enabling the Issuer:
  - (i) to remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating any such Series of Covered Bonds together with the related ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to such Removed Rating Agency (an **Existing Rating Agency Removal**), in so far as these relate solely to such Series of Covered Bonds issued on or after 25 June 2014; and/or
  - (ii) to reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies to provide a rating in respect of any such Series of Covered Bonds and include the then current relevant ratings criteria, rating tests, rating triggers and any and all relevant requirements specified by and/or relating to the reappointed Rating Agency (an Existing Rating Agency Reappointment),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment a **Ratings Modification Event**), **provided that**, in each case and at all times, such Series of Covered Bonds continues to be rated by at least two Rating Agencies, and subject as provided below.

The holders of such Covered Bonds and other Secured Creditors shall be deemed to have instructed the Bond Trustee and the Security Trustee to concur in effecting any such Ratings Modification Event and shall be bound by the modifications to the Transaction Documents and/or these Terms and Conditions made for the purpose of implementing such Ratings Modification Event regardless of whether or not such modifications are materially prejudicial to the interests of the holders of such Covered Bonds and the other Secured Creditors, **provided that** neither the Bond Trustee nor the Security Trustee shall be obliged to agree to any Ratings Modification Event which, in the sole opinion of the Bond Trustee or the Security Trustee, would have the effect of (a) exposing the Bond Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections of the Bond Trustee and/or the Security Trustee under the Transaction Documents and/or the Terms and Conditions of the Covered Bonds.

Notwithstanding the above, the Issuer, the LLP and the Principal Paying Agent may agree, without the consent of the Bond Trustee, the Security Trustee, the Covered Bondholders, Receiptholders or Couponholders or any of the other Secured Creditors, to any modification of any of the provisions of any Final Terms Document which is of a formal, minor or technical nature or is made to correct a proven or manifest error or to comply with any mandatory provisions of law.

The Bond Trustee may also agree, without the consent of the Covered Bondholders of any Series, the related Receiptholders and/or Couponholders, to the waiver or authorisation of any breach or proposed breach of any of the provisions of the Covered Bonds of any Series, or determine, without any such consent as aforesaid, that any Issuer Event of Default or LLP Event of Default or Potential Issuer Event of Default or Potential LLP Event of Default shall not be treated as such, provided that, in any such case, it is not, in the sole opinion of the Bond Trustee, materially prejudicial to the interests of any of the Covered Bondholders of any Series. The Security Trustee may also agree, without the consent of the Covered Bondholders of any Series, the related Receiptholders and/or Couponholders or any other Secured Creditor, to the waiver or authorisation of any breach or proposed breach of any of the provisions of the Transaction Documents, **provided that**, in any such case, it is not, in the sole opinion of the Security Trustee, materially prejudicial to the interests of any of the Covered Bondholders of any Series, or the Covered Bond Swap Providers or the Interest Rate Swap Provider, except for any Covered Bond Swap Provider or the Interest Rate Swap Provider who is a member of the Enlarged Santander UK Group.

Prior to the Bond Trustee and the Security Trustee agreeing to any such modification, waiver, authorisation or determination pursuant to this Condition 14, the Issuer must send written confirmation to the Bond Trustee and the Security Trustee that such modification, waiver, authorisation or determination, as applicable, would not result in a breach of the RCB Regulations and that either:

- (a) such modification, waiver, authorisation or determination would not require the FCA to be notified in accordance with Regulation 20 of the RCB Regulations; or
- (b) if such modification, waiver, authorisation or determination would require the FCA to be notified in accordance with Regulation 20 of the RCB Regulations, the Issuer has provided all information required to be provided to the FCA and the FCA has given its consent to such proposed modification, waiver, authorisation or determination.

The Bond Trustee and the Security Trustee shall, without the consent or sanction of any of the Covered Bondholders of any Series, the related Receiptholders and/or the Couponholders or any other Secured Creditors (except for any Covered Bond Swap Provider), concur with the Issuer in making any modifications to the Transaction Documents and/or the Conditions that are requested by the Issuer to comply with any criteria of the Rating Agencies which may be published after 9

September 2011 and which the Issuer certifies to the Bond Trustee and the Security Trustee in writing are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating Agency to any Series of the Covered Bonds, provided that the Bond Trustee and the Security Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Bond Trustee and the Security Trustee, as applicable, would have the effect of (a) exposing the Bond Trustee and the Security Trustee, as applicable, to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee and the Security Trustee, as applicable in the Transaction Documents and/or the Conditions. For the avoidance of doubt, such modifications may include, without limitation, modifications which would allow any Swap Provider not to post collateral in circumstances where it previously would have been obliged to do so.

Where the Security Trustee is unable to determine whether any such modification, waiver or authorisation is materially prejudicial to any of the Covered Bond Swap Providers or the Interest Rate Swap Provider, except for any Covered Bond Swap Provider or the Interest Rate Swap Provider who is a member of the Enlarged Santander UK Group, it shall give written notice to such Covered Bond Swap Provider or the Interest Rate Swap Provider, setting out the relevant details and requesting its consent thereto. Any such Covered Bond Swap Provider or the Interest Rate Swap Provider, shall, within ten London Business Days of receipt of such notice (the **Relevant Period**), notify in writing the Security Trustee of:

- (a) its consent (such consent not to be unreasonably withheld or delayed) to such proposed modification, waiver or authorisation; or
- (b) subject to paragraph (a) above, its refusal to give such consent and reasons for such refusal (such refusal not to be unreasonable in the circumstances).

Any failure by the relevant Covered Bond Swap Provider or the Interest Rate Swap Provider to notify the Security Trustee as aforesaid within the Relevant Period shall be deemed to be a consent by the relevant Swap Provider to such proposed modification, waiver or authorisation.

The Security Trustee may (without further enquiry) rely upon the consent or refusal in writing of any Covered Bond Swap Provider or the Interest Rate Swap Provider, as provided above, and shall have no liability to any Covered Bond Swap Provider, the Interest Rate Swap Provider or any other Secured Creditor for consenting or not consenting (as the case may be) to a modification, waiver or authorisation on the basis of any such consent or refusal in writing or any deemed consent as provided above.

Any such modification, waiver, authorisation or determination shall be binding on all Covered Bondholders of all Series of Covered Bonds, the related Receiptholders and the Couponholders and the other Secured Creditors, and unless the Security Trustee and the Bond Trustee otherwise agree, any such modification shall be notified by the Issuer to the Covered Bondholders of all Series of Covered Bonds for the time being outstanding and the other Secured Creditors in accordance with the relevant terms and conditions as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee and (where it is required to have regard to the interests of the Covered Bondholders) the Security Trustee shall have regard to the general interests of the Covered Bondholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Covered Bondholders, the related Receiptholders, Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected

with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee and the Security Trustee shall not be entitled to require, nor shall any Covered Bondholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the LLP, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any Tax or stamp duty consequences of any such exercise upon individual Covered Bondholders, Receiptholders and/or Couponholders, except to the extent already provided for in Condition 7 (*Taxation*) of these Conditions or Condition 6 (*Taxation*) of any N Covered Bond Conditions and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) of these Conditions or Condition 6 (*Taxation*) of any N Covered Bond Conditions pursuant to the Trust Deed.

Provided that the Bond Trustee and the Security Trustee shall have received a certificate signed by two Issuer Authorised Signatories and a certificate of a Designated Member of the LLP stating that, immediately after giving effect to the matters set out this paragraph, no Issuer Event of Default or Potential Issuer Event of Default (in respect of the Issuer) or LLP Event of Default or Potential LLP Event of Default (in respect of the LLP), respectively, shall have occurred and be continuing and certain other conditions as are specified in the Trust Deed are satisfied, but without the consent of the holders of Covered Bonds of any Series, the Coupons and Receipts related thereto, or of any other Secured Creditor: a Subsidiary of the Issuer may assume the obligations of the Issuer as principal obligor under the Trust Deed and the other Transaction Documents in respect of all Series of Covered Bonds. The Trust Deed provides that any such assumption shall be notified to the holders of all Series of Covered Bonds (in accordance with the relevant terms and conditions of such Covered Bonds).

The Issuer may, without the consent of the holders of the Covered Bonds of any Series or any Receipts or Coupons relating thereto, or any other Secured Creditor, consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to, any corporation organised under the laws of the United Kingdom, or any political subdivision thereof, **provided that**:

- (i) a certificate of two Issuer Authorised Signatories and a certificate of a Designated Member of the LLP is delivered to the Bond Trustee and the Security Trustee to the effect that, immediately after giving effect to such transaction no Issuer Event of Default or Potential Issuer Event of Default (in respect of the Issuer) and no LLP Event of Default or Potential LLP Event of Default (in respect of the LLP), respectively, shall have occurred and be continuing;
- (ii) unless the Issuer is the surviving entity, the Issuer shall procure that the surviving or transferee company assumes its obligations as Issuer under the Trust Deed, each other relevant Transaction Document and all of the outstanding Covered Bonds of all Series, in place of the Issuer:
- (iii) in the case of an assumption of the obligations of the Issuer by a successor or transferee company, the guarantee of the LLP shall remain fully effective on the same basis in relation to the obligations of such successor or transferee company;
- (iv) certain other conditions set out in the Trust Deed are met. Upon the assumption of the obligations of the Issuer by such surviving or transferee company, the predecessor Issuer shall (subject to the provisions of the Trust Deed) have no further liabilities under or in respect of the Trust Deed or the outstanding Covered Bonds of each Series or any Coupons or Receipts appertaining thereto and the other Transaction Documents. Any such assumption shall be subject to the relevant provisions of the Trust Deed. The Trust Deed provides that any such assumption shall be notified to the holders of all Series of Covered Bonds in accordance with the relevant Terms and Conditions of such Covered Bonds and the other Secured Creditors; and

(v) any such surviving entity, successor or transferee company assuming the obligations of the Issuer is included in the register of issuers pursuant to the RCB Regulations and that all other provisions (including Regulation 19 (Change of Issuer)) of the RCB Regulations are satisfied prior to the substitution of the Issuer.

For the purposes hereof:

**Potential Issuer Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Issuer Event of Default; and

**Potential LLP Event of Default** means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an LLP Event of Default.

# 15. Indemnification of the Bond Trustee and/or Security Trustee and Bond Trustee and/or Security Trustee Contracting with the Issuer and/or the LLP

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee or the Security Trustee is of the opinion that the interests of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the Bond Trustee or the Security Trustee, as the case may be, shall not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least 25 per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding.

The Trust Deed and the Deed of Charge contain provisions for the indemnification of the Bond Trustee and the Security Trustee and for their relief from responsibility, including provisions relieving them from taking any action unless indemnified and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which each of the Bond Trustee and Security Trustee, respectively, is entitled, *inter alia*, (i) to enter into business transactions with the Issuer, the LLP and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the LLP and/or any of their respective Subsidiaries and affiliates, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Covered Bondholders, Receiptholders or Couponholders or any other Secured Creditors, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Neither the Bond Trustee nor the Security Trustee will be responsible for any loss, expense or liability, which may be suffered as a result of any Loans or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Bond Trustee and/or the Security Trustee. Neither the Bond Trustee nor the Security Trustee will be responsible for (i) supervising the performance by the Issuer, the LLP or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and the Bond Trustee and the Security Trustee will be entitled to assume, until they each have written notice to the contrary, that all such persons are properly performing their duties, (ii) considering the basis on which approvals or consents are granted by the Issuer, the LLP or any other party to the Transaction Documents under the Transaction Documents, (iii) monitoring the Portfolio,

including, without limitation, whether the Portfolio is in compliance with the Asset Coverage Test, the Amortisation Test or the Pre-Maturity Test, or (iv) monitoring whether Loans and Related Security satisfy the Eligibility Criteria. Neither the Bond Trustee nor the Security Trustee will be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the Transaction Documents.

#### 16. Further Issues

The Issuer shall be at liberty, from time to time without the consent of the Covered Bondholders, the Receiptholders or the Couponholders or any Secured Creditors, to create and issue further bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects and guaranteed and the LLP save for the issue price and date of issue thereof and the amount and date of the first payment of interest thereon and so as to be consolidated and form a single Series with the outstanding Covered Bonds of such Series; **provided however, that** if such further Covered Bonds are not issued as part of the same "issue" or in a "qualified reopening" for U.S. federal income tax purposes such further Covered Bonds, such further Covered Bonds will have a separate CUSIP number than that assigned to the previously issued Covered Bonds.

## 17. Ratings Confirmations

- 17.1 By subscribing for or purchasing Covered Bond(s), each Covered Bondholder shall be deemed to have acknowledged and agreed that a credit rating of a Series of Covered Bonds is an assessment of credit risk and does not address other matters that may be of relevance to Covered Bondholders, including, without limitation, in the case of a confirmation by a Rating Agency that any action proposed to be taken by the Issuer, the LLP, the Seller, the Servicer, the Cash Manager, the Bond Trustee, the Security Trustee or any other party to a Transaction Document will not have an adverse effect on the then current rating of the Covered Bonds or cause such rating to be withdrawn (a **Rating Agency Confirmation**), whether such action is either (i) permitted by the terms of the relevant Transaction Document or (ii) in the best interests of, or not prejudicial to, some or all of the Covered Bondholders.
- 17.2 In being entitled to have regard to the fact that a Rating Agency has confirmed that the then current rating of the relevant Series of Covered Bonds would not be adversely affected or withdrawn, each of the Issuer, the LLP, the Bond Trustee, the Security Trustee and the Secured Creditors (including the Covered Bondholders) is deemed to have acknowledged and agreed that a Rating Agency Confirmation does not impose or extend any actual or contingent liability on the Rating Agencies to the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Secured Creditors (including the Covered Bondholders) or any other person or create any legal relations between the Rating Agencies and the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Secured Creditors (including the Covered Bondholders) or any other person, whether by way of contract or otherwise.
- 17.3 By subscribing for or purchasing Covered Bond(s), each Covered Bondholder shall be deemed to have acknowledged and agreed that:
  - (a) a Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency;
  - (b) depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating Agency Confirmation in the time available, or at all, and the Rating Agency shall not be responsible for the consequences thereof;

- (c) a Rating Agency Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Covered Bonds forms a part; and
- (d) a Rating Agency Confirmation represents only a restatement of the opinions given, and shall not be construed as advice for the benefit of any Covered Bondholder or any other party.
- 17.4 The Bond Trustee shall be entitled to take into account for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these presents or any other Transaction Document, among other things, to the extent that it considers, in its sole and absolute discretion, it is necessary and/or appropriate and/or relevant, any Rating Agency Confirmation. If any Rating Agency then rating the Covered Bonds either: (i) does not respond to a request to provide a Rating Agency Confirmation within 7 days after such request is made; or (ii) provides a waiver or acknowledgement indicating its decision not to review or otherwise declining to review the matter for which the Rating Agency Confirmation is sought, the requirement for the Rating Agency Confirmation from the relevant Rating Agency with respect to such matter will be deemed waived and neither the Bond Trustee nor the Security Trustee shall be liable for any losses Covered Bondholders or any Secured Creditors may suffer as a result.

## 18. Contracts (Rights of Third Parties) Act 1999

No person (other than the Rating Agencies in respect of Condition 17 (*Ratings Confirmations*)) shall have any right to enforce any term or condition of the Covered Bonds under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 19. Governing Law

The Trust Deed, the Agency Agreement, the Covered Bonds, the Receipts, the Coupons and the other Transaction Documents (other than each Scottish Declaration of Trust and certain documents to be granted pursuant to the Deed of Charge) are governed by, and shall be construed in accordance with, English law unless specifically stated to the contrary. Each Scottish Declaration of Trust is governed by, and shall be construed in accordance with, Scots law. Certain documents to be granted pursuant to the Deed of Charge will be governed by, and construed in accordance with, Scots law. Those aspects of the Transaction Documents specific to Northern Irish Loans will be governed by Northern Irish law. Any non-contractual matter, claim or dispute arising out of or in connection with the LLP Deed, the Master Definitions and Construction Agreement, the Trust Deed, the Covered Bonds, the Receipts and the Coupons is governed by, and shall be determined in accordance with, English law unless specifically stated to the contrary.

## PRINCIPAL PAYING AGENT

Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB

## REGISTRAR AND EXCHANGE AGENT

Deutsche Bank Trust Company Americas 1761 East St. Andrew Place Santa Ana California 92705

and/or such other or further Principal Paying Agent or Paying Agent or Registrar or Exchange Agent or Transfer Agent and/or specified offices as may from time to time be duly appointed by the Issuer and the LLP and notice of which has been given to the Covered Bondholders.

#### **SCHEDULE 2**

# FORMS OF GLOBAL AND DEFINITIVE COVERED BONDS, RECEIPTS, COUPONS AND TALONS

#### PART 1

#### FORM OF TEMPORARY GLOBAL COVERED BOND

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>1</sup>

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.

#### SANTANDER UK PLC

(incorporated with limited liability under the laws of England and Wales)
(the **Issuer**)

#### TEMPORARY GLOBAL COVERED BOND

unconditionally and irrevocably guaranteed as to payments of interest and principal by

## ABBEY COVERED BONDS LLP

(a limited liability partnership incorporated in England and Wales)
(the **LLP**)

This Global Covered Bond in bearer form (a **Bearer Global Covered Bond**) is a Temporary Global Covered Bond without interest coupons in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Aggregate Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms Document applicable to the Covered Bonds (the **Final Terms Document**), a copy of which is annexed hereto, and which are constituted by a Trust Deed (as defined below). References herein to the **Conditions** shall be to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms Document but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms Document, the Final Terms Document will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Bearer Global Covered Bond.

Delete where the original maturity of the Covered Bonds is 1 year or less.

This Bearer Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 3 June 2005 as modified on 16 August 2005 and modified and/or restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 29 June 2012, 12 July 2013, 25 June 2014 and 1 June 2016 and made between the Issuer, the LLP and Deutsche Trustee Company Limited in its capacities as Bond Trustee and as Security Trustee.

For value received, the Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Bearer Global Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Global Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Bearer Global Covered Bond to or to the order of the Principal Paying Agent or any of the other Paying Agents located outside the United States (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Covered Bonds.

If the Final Terms Document indicates that this Covered Bond is intended to be a New Global Covered Bond, the Principal Amount Outstanding of Covered Bonds represented by this Bearer Global Covered Bond shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking, société anonyme (Clearstream, Luxembourg and together with Euroclear, the relevant Clearing Systems). The records of the relevant Clearing Systems (which expression in this Bearer Global Covered Bond means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Covered Bonds) shall be conclusive evidence of the Principal Amount Outstanding of Covered Bonds represented by this Bearer Global Covered Bonds available to the bearer upon request) stating the Principal Amount Outstanding of Covered Bonds represented by this Bearer Global Covered Bond at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms Document indicates that this Global Covered Bond is not intended to be a New Global Covered Bond, the Principal Amount Outstanding of the Covered Bonds represented by this Bearer Global Covered Bond shall be the amount stated in the applicable Final Terms Document or, if lower, the Principal Amount Outstanding most recently entered by or on behalf of the Issuer in the relevant column in Part II, III, or IV of Schedule One hereto or in Schedule Two hereto.

On any redemption of, or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Bearer Global Covered Bond the Issuer shall procure that:

- (a) if the Final Terms Document indicates that this Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered *pro rata* in the records of the relevant Clearing Systems, and, upon any such entry being made, the Principal Amount Outstanding of the Covered Bonds recorded in the records of the relevant Clearing Systems and represented by this Bearer Global Covered Bond shall be reduced by the aggregate Principal Amount Outstanding of the Covered Bonds so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid; or
- (b) if the Final Terms Document indicates that this Bearer Global Covered Bond is not intended to be a New Global Covered Bond, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant

space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment or purchase and cancellation, the Principal Amount Outstanding of this Bearer Global Covered Bond and the Covered Bonds represented by this Bearer Global Covered Bond shall be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled or the amount of such instalment so paid.

Payments due in respect of Covered Bonds for the time being represented by this Bearer Global Covered Bond shall be made to the bearer of this Bearer Global Covered Bond and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make entries referred to above shall not affect such discharge.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the Principal Paying Agent by Clearstream, Luxembourg or Euroclear a certificate to the effect that it has received from or in respect of a person entitled to a beneficial interest in a particular principal amount of the Covered Bonds represented by this Bearer Global Covered Bond (as shown by its records) a certificate of non-U.S. beneficial ownership in the form required by Clearstream, Luxembourg or Euroclear (as applicable). The bearer of this Global Covered Bond will not (unless upon due presentation of this Bearer Global Covered Bond for exchange, delivery of the appropriate number of Bearer Definitive Covered Bonds (together, if applicable, with the Receipts, Coupons and Talons appertaining thereto in or substantially in the forms set out in Part 3, Part 4, Part 5 and Part 6 of Schedule 2 to the Trust Deed) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Global Covered Bond is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment hereon due on or after the Exchange Date.

On or after the date (the **Exchange Date**) which is 40 days after the Issue Date, this Bearer Global Covered Bond may be exchanged (free of charge) in whole or in part for, as specified in the Final Terms Document, either (a) security printed Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons (on the basis that all the appropriate details have been included on the face of such Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms Document has been endorsed on or attached to such Bearer Definitive Covered Bonds) or (b) either (if the Final Terms indicates that this Global Covered Bond is intended to be a New Global Covered Bond or (if the Final Terms indicates that this Global Covered Bond is not intended to be a New Global Covered Bond or (if the Final Terms indicates that this Global Covered Bond is not intended to be a New Global Covered Bond) a Permanent Bearer Global Covered Bond, which, in either case is in or substantially in the form set out in Part 2 of Schedule 2 to the Trust Deed (together with the Final Terms Document attached thereto) upon notice being given by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in this Global Covered Bond and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the Final Terms Document.

If Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons have been issued in exchange for the Covered Bonds previously represented by the Permanent Global Covered Bond, then this Bearer Global Covered Bond may only thereafter be exchanged for Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons pursuant to the terms hereof. This Bearer Global Covered Bond may be exchanged by the bearer hereof on any day (other than a Saturday or a Sunday) on which banks are open for general business in London.

The Issuer shall procure that Bearer Definitive Covered Bonds or (as the case may be) the Permanent Global Covered Bond shall be so issued and delivered and (in the case of the Permanent Bearer Global Covered Bond where the Final Terms indicates that this Global Covered Bond is intended to be a New Global Covered Bond) interests in the Permanent Bearer Global Covered Bond shall be recorded in the records of the relevant Clearing Systems in exchange for only that portion of this Global Covered Bond in respect of

which there shall have been presented to the Principal Paying Agent by Euroclear or Clearstream, Luxembourg a certificate to the effect that it has received from or in respect of a person entitled to beneficial interest in a particular nominal amount of the Covered Bonds represented by this Bearer Global Covered Bond (as shown by its records) a certificate of non-U.S. beneficial ownership in the form required by Clearstream, Luxembourg or Euroclear (as applicable).

On an exchange of the whole of this Bearer Global Covered Bond, this Bearer Global Covered Bond shall be surrendered to or to the order of the Principal Paying Agent. The Issuer shall procure that:

- (a) if the Final Terms Document indicates that this Bearer Global Covered Bond is intended to be a New Global Covered Bond, on an exchange of the whole or part only of this Bearer Global Covered Bond, details of such exchange shall be entered *pro rata* in the records of the relevant Clearing Systems such that the Principal Amount Outstanding of Covered Bonds represented by this Bearer Global Covered Bond shall be reduced by the Principal Amount Outstanding of this Bearer Global Covered Bond so exchanged; or
- (b) if the Final Terms Document indicates that this Bearer Global Covered Bond is not intended to be a New Global Covered Bond, on an exchange of part only of this Bearer Global Covered Bond details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Bearer Global Covered Bond and the Covered Bonds represented by this Bearer Global Covered Bond shall be reduced by the Principal Amount Outstanding of this Bearer Global Covered Bond so exchanged. On any exchange of this Bearer Global Covered Bond for a Permanent Global Covered Bond, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two to the Permanent Global Covered Bond and the relevant space in Schedule Two thereto recording such exchange shall be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Bearer Global Covered Bond as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Bearer Definitive Covered Bonds and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Part 3, Part 4, Part 5 and Part 6 (as applicable) of Schedule 2 to the Trust Deed, except that the bearer of this Bearer Global Covered Bond shall not (unless upon due presentation of this Bearer Global Covered Bond exchange, issue and delivery (or, as the case may be, endorsement) of the Permanent Global Covered Bond or the appropriate number of Bearer Definitive Covered Bonds and the related Receipts, Coupons and/or Talons (if any) is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled (i) to receive any payment of interest on this Bearer Global Covered Bond or (ii) on and after the Exchange Date, to receive any payment on this Bearer Global Covered Bond.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by this Bearer Global Covered Bond (each an Accountholder) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Principal Paying Agent and any other Paying Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which shall be vested, as against the Issuer and the LLP, solely in the bearer of this Bearer Global Covered Bond in accordance with and subject to the terms of this Bearer Global Covered Bond and the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of this Global Covered Bond.

This Bearer Global Covered Bond and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

A person who is not a party to this Bearer Global Covered Bond has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Bearer Global Covered Bond, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

This Bearer Global Covered Bond shall not be valid unless authenticated by Deutsche Bank AG, London Branch as Principal Paying Agent and, if the applicable Final Terms Document indicates that this Global Covered Bond is intended to be held in a manner which would allow Eurosystem eligibility, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

**IN WITNESS WHEREOF** the Issuer has caused this Bearer Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of the Issue Date specified in the Final Terms Document.

SANTANDER UK PLC
By: Authorised Signatory
Authenticated by <b>DEUTSCHE BANK AG, LONDON BRANCH</b> as Principal Paying Agent.
By: Authorised Officer
<sup>2</sup> Effectuated without recourse, warranty or liability by
as common safekeeper
Ву:

This should only be completed where the Final Terms Document indicates that this Global Covered Bond is intended to be a New Global Covered Bond.

# Schedule One<sup>3</sup>

# **PART I**

# **INTEREST PAYMENTS**

Date made	Interest Payment Date	Total amount of interest payable	Amount of interest paid	Confirmation of payment by or on behalf of the Issuer

Schedule One should only be completed where the Final Terms Document indicates that this Global Covered Bond is not intended to be a New Global Covered Bond.

# **PART II**

# PAYMENT OF INSTALMENT AMOUNTS

Date made	Total amount of Instalment Amounts payable	Amount of Instalment Amounts paid	Principal Amount Outstanding of this Bearer Global Covered Bond following such payment*	Confirmation of payment by or on behalf of the Issuer
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	<del></del>			

<sup>\*</sup> See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

# **PART III**

# REDEMPTIONS

Date made	Total amount of principal payable	Amount of principal paid	Remaining Principal Amount Outstanding of this Bearer Global Covered Bond following such redemption*	Confirmation of redemption by or on behalf of the Issuer
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	- <u></u>			·
				<del></del>
		-		
	- <u></u>			·

<sup>\*</sup> See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

# **PART IV**

# PURCHASES AND CANCELLATIONS

Date Made	Part of the Principal Amount Outstanding of this Bearer Global Covered Bond purchased and cancelled	Principal Amount Outstanding of this Bearer Global Covered Bond following such purchase and cancellation*	Confirmation of purchase and cancellation by or on behalf of the Issuer
		-	
			·
			<del></del>
			·
		·	

<sup>\*</sup> See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

# Schedule Two<sup>4</sup>

## **EXCHANGES**

# FOR BEARER DEFINITIVE COVERED BONDS OR PERMANENT GLOBAL COVERED BOND

The following exchanges of a part of this Bearer Global Covered Bond for Bearer Definitive Covered Bonds or a part of a Permanent Global Covered Bond have been made:

	Principal Amount Outstanding of this Bearer Global Covered Bond exchanged for Bearer Definitive Covered Bonds or a	Remaining Principal Amount Outstanding of this Bearer Global Covered Bond	
<b>Date Made</b>	part of a Permanent Global Covered Bond	following such exchange *	Notation made by or on behalf of the Issuer

Schedule Two should only be completed where the Final Terms Document indicates that this Global Covered Bond is not intended to be a New Global Covered Bond.

<sup>\*</sup> See most recent entry in Part II, III or IV of Schedule One or in this Schedule Two in order to determine this amount.

#### PART 2

#### FORM OF PERMANENT GLOBAL COVERED BOND

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE. ]<sup>5</sup>

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.

#### SANTANDER UK PLC

(incorporated with limited liability under the laws of England and Wales) (the **Issuer**)

#### PERMANENT GLOBAL COVERED BOND

unconditionally and irrevocably guaranteed as to payments of interest and principal by

## ABBEY COVERED BONDS LLP

(a limited liability partnership incorporated in England and Wales) (the **LLP**)

This Global Covered Bond in bearer form (a **Bearer Global Covered Bond**) is a Permanent Global Covered Bond in respect of a duly authorised issue of Covered Bonds of the Issuer (the **Covered Bonds**) of the Aggregate Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms Document applicable to the Covered Bonds (the **Final Terms Document**), a copy of which is annexed hereto, and which are constituted by a Trust Deed (as defined below). References herein to the **Conditions** shall be to the Terms and Conditions of the Covered Bonds as set out in Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms Document but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms Document, the Final Terms Document will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Bearer Global Covered Bond.

This Bearer Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 3 June 2005 as modified on 16 August 2005 and modified and/or restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 29 June 2012, 12 July 2013, 25 June 2014 and 1 June 2016 and made between the Issuer, the LLP and Deutsche Trustee Company Limited in its capacities as Bond Trustee and as Security Trustee.

<sup>&</sup>lt;sup>5</sup> Delete where the original maturity of the Covered Bonds is 1 year or less.

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Covered Bonds are repayable in instalments) and on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Bearer Global Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Bearer Global Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Bearer Global Covered Bond to or to the order of the Principal Paying Agent or any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer in respect of the Covered Bonds.

If the Final Terms Document indicates that this Covered Bond is intended to be a New Global Covered Bond, the Principal Amount Outstanding of Covered Bonds represented by this Bearer Global Covered Bond shall be the aggregate amount from time to time entered in the records of both Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking, société anonyme (Clearstream, Luxembourg and together with Euroclear, the relevant Clearing Systems). The records of the relevant Clearing Systems (which expression in this Bearer Global Covered Bond means the records that each relevant Clearing System holds for its customers which reflect the amount of each such customer's interest in the Covered Bonds) shall be conclusive evidence of the Principal Amount Outstanding of Covered Bonds represented by this Bearer Global Covered Bonds available to the bearer upon request) stating the Principal Amount Outstanding of Covered Bonds represented by this Bearer Global Covered Bond at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

If the Final Terms Document indicates that this Bearer Global Covered Bond is not intended to be a New Global Covered Bond, the Principal Amount Outstanding of the Covered Bonds represented by this Bearer Global Covered Bond shall be the amount stated in the applicable Final Terms Document or, if lower, the Principal Amount Outstanding most recently entered by or on behalf of the Issuer in the relevant column in Part II, III, or IV of Schedule One hereto or in Schedule Two hereto.

On any redemption of, or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Bearer Global Covered Bond the Issuer shall procure that:

- (a) if the Final Terms Document indicates that this Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the Principal Amount Outstanding of the Covered Bonds recorded in the records of the relevant Clearing Systems and represented by this Bearer Global Covered Bond shall be reduced by the aggregate nominal amount of the Covered Bonds so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid; or
- (b) if the Final Terms Document indicates that this Bearer Global Covered Bond is not intended to be a New Global Covered Bond, details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Bearer Global Covered Bond and the Covered Bonds represented by this Bearer Global Covered Bond shall be reduced by the nominal amount of such Covered Bonds so redeemed or purchased and cancelled or the amount of such instalment so paid.

Payments due in respect of Covered Bonds for the time being represented by this Bearer Global Covered Bond shall be made to the bearer of this Bearer Global Covered Bond and each payment so made will discharge the Issuer's obligations in respect thereof and any failure to make the entries referred to above shall not affect such discharge.

If the Covered Bonds represented by this Bearer Global Covered Bond were, on issue, represented by a Temporary Bearer Global Bond then on any exchange of such Temporary Bearer Global Covered Bond for this Bearer Global Covered Bond or any part hereof, the Issuer shall procure that:

- (a) if the Final Terms Document indicates that this Bearer Global Covered Bond is intended to be a New Global Covered Bond, details of such exchange shall be entered *pro rata* in the records of the relevant Clearing Systems such that the nominal amount of the Covered Bonds recorded in the records of the relevant Clearing Systems and represented by this Bearer Global Covered Bond shall be increased by the nominal amount of the Temporary Global Covered Bond so exchanged; or
- (b) if the Final Terms Document indicates that this Bearer Global Covered Bond is not intended to be a New Global Covered Bond, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Bearer Global Covered Bond and the Covered Bonds represented by this Bearer Global Covered Bond shall be increased by the nominal amount of the Temporary Global Covered Bond so exchanged.

This Bearer Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Part 3, Part 4, Part 5 and Part 6 of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Bearer Definitive Covered Bonds and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms Document has been endorsed on or attached to such Bearer Definitive Covered Bonds) either, as specified in the applicable Final Terms Document:

- (a) upon not less than 60 days' written notice being given to the Principal Paying Agent by Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Global Covered Bond); or
- (b) upon the occurrence of an Exchange Event.

# An **Exchange Event** means:

- (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Global Covered Bond (and any interests therein) exchanged for Bearer Definitive Covered Bonds.

If this Bearer Global Covered Bond is exchangeable following the occurrence of an Exchange Event:

- (a) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 13 (*Notices*) upon the occurrence of such Exchange Event; and
- (b) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Bearer Global Covered Bond) or the Bond Trustee may give notice to the Principal Paying

Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (b) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange.

Any such exchange shall occur on a date specified in the notice not more than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The first notice requesting exchange in accordance with the above provisions shall give rise to the issue of Bearer Definitive Covered Bonds for the Principal Amount Outstanding of Covered Bonds represented by this Global Covered Bond.

Any such exchange as aforesaid will be made upon presentation of this Bearer Global Covered Bond by the bearer hereof on any Business Day in London at the office of the Principal Paying Agent specified above.

The aggregate Principal Amount Outstanding of Bearer Definitive Covered Bonds issued upon an exchange of this Bearer Global Covered Bond will be equal to the aggregate Principal Amount Outstanding of this Bearer Global Covered Bond. Upon exchange of this Bearer Global Covered Bond for Bearer Definitive Covered Bonds, the Principal Paying Agent shall cancel it or procure that it is cancelled.

Until the exchange of the whole of this Bearer Global Covered Bond as aforesaid, the bearer hereof shall (subject as provided in the next paragraph) in all respects be entitled to the same benefits as if he were the bearer of Bearer Definitive Covered Bonds and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Part 3, Part 4, Part 5 and Part 6 (as applicable) of Schedule 2 to the Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Covered Bonds represented by this Bearer Global Covered Bond (each an Accountholder) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Principal Paying Agent and any other Paying Agent as the holder of such principal amount of such Covered Bonds for all purposes other than with respect to the payment of principal and interest on such principal amount of such Covered Bonds, the right to which shall be vested, as against the Issuer and the LLP, solely in the bearer of this Bearer Global Covered Bond in accordance with and subject to the terms of this Bearer Global Covered Bond and the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of this Bearer Global Covered Bond.

This Bearer Global Covered Bond and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

A person who is not a party to this Bearer Global Covered Bond has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Bearer Global Covered Bond, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

This Bearer Global Covered Bond shall not be valid unless authenticated by Deutsche Bank AG, London Branch as Principal Paying Agent and, if the applicable Final Terms Document indicates that this Global Covered Bond is intended to be held in a manner which would allow Eurosystem eligibility, effectuated by the entity appointed as common safekeeper by the relevant Clearing Systems.

**IN WITNESS WHEREOF** the Issuer has caused this Bearer Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf.

Issued as of the Issue Date specified in the Final Terms Document.

SANTANDER UK PLC
By: Authorised Signatory
Authenticated by <b>DEUTSCHE BANK AG, LONDON BRANCH</b> as Principal Paying Agent.
By: Authorised Officer
<sup>6</sup> Effectuated without recourse, warranty or liability by

.....

as common safekeeper

By:

This should only be completed where the Final Terms Document indicates that this Global Covered Bond is intended to be a New Global Covered Bond.

# Schedule One<sup>7</sup>

# **PART I**

# **INTEREST PAYMENTS**

Date made	Interest Payment Date	Total amount of interest payable	Amount of interest paid	payment by or on behalf of the Issuer
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			·	
			<del></del>	
			<del></del>	
			<del></del>	

Schedule One should only be completed where the Final Terms Document indicates that this Global Covered Bond is not intended to be a New Global Covered Bond

# **PART II**

# PAYMENT OF INSTALMENT AMOUNTS

Date made	Total amount of Instalment Amounts payable	Amount of Instalment Amounts paid	Remaining Principal Amount Outstanding of this Bearer Global Covered Bond following such payment*	Confirmation of payment by or on behalf of the Issuer

<sup>\*</sup> See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

# **PART III**

# REDEMPTIONS

Date made	Total amount of principal payable	Amount of principal paid	Principal Amount Outstanding of this Bearer Global Covered Bond following such redemption*	Confirmation of payment by or on behalf of the Issuer

<sup>\*</sup> See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

# **PART IV**

# PURCHASES AND CANCELLATIONS

Date Made	Part of Principal Amount Outstanding of this Bearer Global Covered Bond purchased and cancelled	Remaining Principal Amount Outstanding of this Bearer Global Covered Bond following such purchase and cancellation*	Confirmation of purchase and cancellation by or on behalf of the Issuer
	·		

<sup>\*</sup> See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

# Schedule Two<sup>8</sup>

#### **EXCHANGES**

(only applicable where the Covered Bonds represented this Bearer Global Covered Bond were, on issue, represented by a Temporary Global Covered Bond)

Date made	Principal Amount Outstanding of Temporary Global Covered Bond exchanged for this Bearer Global Covered Bond	Increased Principal Amount Outstanding of this Bearer Global Covered Bond following such exchange*	Notation made by or on behalf of the Issuer
			<del></del>
		<del></del>	
	-		
			<del></del>

Schedule Two should only be completed where the Final Terms Document indicates that this Global Covered Bond is not intended to be a New Global Covered Bond

<sup>\*</sup> See most recent entry in Part II, III or IV of Schedule One or in this Schedule Two in order to determine this amount.

#### FORM OF BEARER DEFINITIVE COVERED BOND

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]9

#### SANTANDER UK PLC

(incorporated with limited liability under the laws of England and Wales)
(the **Issuer**)

# [Specified Currency and Aggregate Nominal Amount of Tranche] COVERED BONDS DUE

[Year of Maturity]

irrevocably guaranteed as to payments of interest and principal by

## ABBEY COVERED BONDS LLP

(a limited liability partnership incorporated in England and Wales) (the **LLP**)

This Covered Bond is one of a Series of Covered Bonds of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (**Covered Bonds**) which are constituted by a Trust Deed (as defined below). References herein to the **Conditions** shall be to the Terms and Conditions [endorsed hereon/set out in Schedule 1 to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out herein] as supplemented, replaced and modified by the relevant information appearing in the Final Terms Document (the **Final Terms Document**) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and such information in the Final Terms Document, such information will prevail.

Words and expressions defined in the Conditions shall bear the same meanings when used in this Covered Bond.

This Covered Bond is issued subject to, and with the benefit of, the Conditions and a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 3 June 2005 as modified on 16 August 2005 and modified and/or restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 29 June 2012, 12 July 2013, 25 June 2014 and 1 June 2016 and made between the Issuer, the LLP and Deutsche Trustee Company Limited in its capacities as Bond Trustee and as Security Trustee.

For value received, the Issuer, subject to and in accordance with the Conditions and the Trust Deed, hereby promises to pay to the bearer hereof on [each Instalment Date and] the Final Maturity Date and/or on such earlier date as this Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Covered Bond and to pay interest (if any) on the Principal Amount Outstanding of this Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

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Delete where the original maturity of the Covered Bonds is 1 year or less.

Neither this Covered Bond nor the Receipts or Coupons appertaining hereto shall be valid or obligatory for any purpose unless and until this Covered Bond has been authenticated by Deutsche Bank AG, London Branch as Principal Paying Agent.

# [CONDITIONS]

[Conditions to be as set out in Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange (if any)]

# FINAL TERMS DOCUMENT

[Here to be set out the text of the rele	evant information supp	lementing, replacing	or modifying the	Conditions
which appears in the Final Terms Do	cument relating to the	Covered Bonds]		

#### FORM OF RECEIPT

[Face of Receipt]

#### SANTANDER UK PLC

# [Specified Currency and Aggregate Nominal Amount of Tranche] COVERED BONDS DUE [Year of Maturity]

irrevocably guaranteed as to payments of interest and principal by

#### ABBEY COVERED BONDS LLP

Series No. [

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE. ]<sup>10</sup>

Receipt for the sum of [ ] being the instalment of principal payable in accordance with the Terms and Conditions applicable to the Covered Bond to which this Receipt appertains (the **Conditions**) on [ ].

This Receipt is issued subject to and in accordance with the Conditions which shall be binding upon the holder of this Receipt (whether or not it is for the time being attached to such Covered Bond) and is payable at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Covered Bondholders).

This Receipt must be presented for payment together with the Covered Bond to which it appertains. The Issuer shall have no obligation in respect of any Receipt presented without the Covered Bond to which it appertains or any unmatured Receipts.

\_

Delete where the original maturity of the Covered Bonds is 1 year or less.

#### FORM OF COUPON

[Face of Coupon]

#### SANTANDER UK PLC

# [Specified Currency and Aggregate Nominal Amount of Tranche] COVERED BONDS DUE [Year of Maturity]

irrevocably guaranteed as to payments of interest and principal by

#### ABBEY COVERED BONDS LLP

Series No. [ ]\*

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>11</sup>

[Coupon appertaining to a Covered Bond in the denomination of [Specified Currency and Specified Denomination]]. 12

#### Part A

## [For Fixed Rate Covered Bonds:

This Coupon is payable to bearer, separately Coupon for negotiable and subject to the Terms and [ ] Conditions of the said Covered Bonds. | due on [ ], [ ]]

#### Part B

#### [For Floating Rate Covered Bonds:

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Covered Bonds on [the Interest Payment Date falling in [ ] [ ]/[ ]].

This Coupon is payable to bearer, separately negotiable and subject to such Terms and Conditions, under which it may become void before its due date.]

Delete where the original maturity of the Covered Bonds is 1 year or less.

Delete where the Covered Bonds are all of the same denomination

[No.]	[0,000/00,000]	[ISIN]	[Series]	[Serial No.]

#### FORM OF TALON

[ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE. 113

[Face of Talon]

#### SANTANDER UK PLC

# [Specified Currency and Aggregate Nominal Amount of Tranche] COVERED BONDS DUE [Year of Maturity]

irrevocably guaranteed as to payments of interest and principal by

#### ABBEY COVERED BONDS LLP

Series No. [

 $[Talon\ appertaining\ to\ a\ Covered\ Bond\ in\ the\ denomination\ of\ [Specified\ Currency\ and\ Specified\ Denomination]]^{14}$ 

On and after [ ] further Coupons [and a further Talon]<sup>15</sup> appertaining to the Covered Bond to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Covered Bondholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Covered Bond to which this Talon appertains.

[No.] [0,000/00,000] [ISIN] [Series] [Serial No.]

Not required on last Coupon sheet.

\_

Delete where the original maturity of the Covered Bonds is 1 year or less.

Delete where the Covered Bonds are all of the same denomination.

[Reverse of Receipts, Coupons and Talons]

# PRINCIPAL PAYING AGENT

Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB

and/or such other or further Principal Paying Agent or Paying Agent or Registrar or Exchange Agent or Transfer Agent and/or specified offices as may from time to time be duly appointed by the Issuer and the LLP and notice of which has been given to the Covered Bondholders.

#### FORMS OF REGISTERED GLOBAL COVERED BOND

THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE OUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) EXCEPT (1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH SECURITY SENT TO ITS REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).]

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

[THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND,

This legend shall be borne by each Rule 144A Global Covered Bond.

ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (II) TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.]<sup>2</sup>

[FOR THE PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (1) THE ISSUE DATE OF THIS COVERED BOND IS [ ]; (2) THE YIELD TO MATURITY IS [ ]% (COMPOUNDED SEMI-ANNUALLY); (3) THIS COVERED BOND IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF U.S.\$[ ] PER U.S.\$1,000 PRINCIPAL AMOUNT; (4) THE [ ] METHOD SPECIFIED IN THE PROPOSED TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [ ] AND ENDING [ ]; AND (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO SUCH ACCRUAL PERIOD IS U.S.\$[ ] PER U.S.\$[ ] PRINCIPAL AMOUNT.]<sup>3</sup>

[THIS COVERED BOND IS A GLOBAL COVERED BOND WITHIN THE MEANING OF THE TRUST DEED REFERRED TO HEREINAFTER. THIS GLOBAL COVERED BOND MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A COVERED BOND REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL COVERED BOND, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL COVERED BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.]

[UNLESS THIS GLOBAL COVERED BOND IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, (DTC), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED COVERED BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

This legend shall be borne by each Rule 144A Global Covered Bond.

This legend shall be borne by each Regulation S Global Covered Bond.

Insert and complete if original issue discount applies.

This legend shall be borne by each Registered Global Covered Bond held by DTC.

#### SANTANDER UK PLC

(incorporated with limited liability under the laws of England and Wales) (the **Issuer**)

irrevocably guaranteed as to payments of interest and principal by

#### ABBEY COVERED BONDS LLP

(incorporated with limited partnership incorporated in England and Wales) (the **LLP**)

#### REGISTERED GLOBAL COVERED BOND

The Issuer hereby certifies that [ is, at the date hereof, entered in the Register as the holder of the Principal Amount Outstanding of [ ] of a duly authorised issue of Covered Bonds of the Issuer (the Covered Bonds) of the Specified Currency and Specified Denomination(s) specified in the Final Terms Document applicable to the Covered Bonds (the Final Terms Document), a copy of which is annexed hereto. References herein to the Conditions shall be to the Conditions of the Covered Bonds as set out in Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms Document but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms Document, such information will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Registered Global Covered Bond. This Registered Global Covered Bond is issued subject to, and with the benefit of, the Conditions and a trust deed (as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 3 June 2005 as modified on 16 August 2005 and modified and/or restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 29 June 2012, 12 July 2013, 25 June 2014 and 1 June 2016 and made between the Issuer, the LLP and Deutsche Trustee Company Limited in its capacities as Bond Trustee and as Security Trustee.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, agrees to pay to such registered holder on the Final Maturity Date and/or on such earlier date(s) as all or any of the Covered Bonds represented by this Registered Global Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Covered Bonds on each such date and to pay interest (if any) on the Principal Amount Outstanding of the Covered Bonds from time to time represented by this Registered Global Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Registered Global Covered Bond at the specified office of the Registrar at 1761 East St. Andrew Place, Santa Ana, California 92705 or such other specified office as may be specified for this purpose in accordance with the Conditions. On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Covered Bonds represented by this Registered Global Covered Bond details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption or purchase and cancellation the Principal Amount Outstanding of this Registered Global Covered Bond and the Covered Bonds held by the registered holder hereof shall be reduced by the Principal Amount Outstanding of such Covered Bonds so redeemed or purchased and cancelled. The nominal amount of this Registered Global Covered Bond and of the Covered Bonds held by the registered holder hereof following any such redemption or purchase and cancellation as aforesaid or any transfer or exchange as referred to below shall be the Principal Amount Outstanding most recently entered in the relevant column in Part II or III of Schedule One hereto or in Schedule Two hereto.

This Registered Global Covered Bond may be exchanged (free of charge) in whole, but not in part, for Registered Definitive Covered Bonds without Receipts, Coupons or Talons attached only upon the occurrence of an Exchange Event.

#### An **Exchange Event** means:

- (a) in the case of Covered Bonds registered in the name of the Depository Trust Company at its office at 55 Water Street, New York, NY 10041, United States of America (**DTC**) or its nominee, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Covered Bonds and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act;
- (b) in the case of Covered Bonds registered in the name of a common depositary for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) or its nominee, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Registered Global Covered Bond (and any interests therein) exchanged for Registered Definite Covered Bonds.

Upon the occurrence of an Exchange Event:

- (a) the Issuer will promptly give notice to Covered Bondholders in accordance with Condition 13 of the occurrence of such Exchange Event; and
- (b) DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Registered Global Covered Bond) or the Bond Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Covered Bonds represented by this Registered Global Covered Bond are transferable only in accordance with, and subject to, the provisions hereof and of the amended and restated agency agreement dated 4 October 2007 (as amended, supplemented or restated from time to time) and the rules and operating procedures of Euroclear, Clearstream, Luxembourg and/or DTC.

On any transfer pursuant to which either (i) Covered Bonds represented by this Registered Global Covered Bond are no longer to be so represented or (ii) Covered Bonds not so represented are to be so represented, details of such transfer shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such transfer shall be signed by or on behalf of the Issuer, whereupon the Principal Amount Outstanding of this Registered Global Covered Bond and the Covered Bonds held by the registered holder hereof shall be increased or reduced (as the case may be) by the Principal Amount Outstanding so transferred.

Subject as provided in the following two paragraphs, until the exchange of the whole of this Registered Global Covered Bond as aforesaid, the registered holder hereof shall in all respects be entitled to the same benefits as if he were the registered holder of Registered Definitive Covered Bonds in the form set out in Part 8 of Schedule 2 to the Trust Deed.

Where this Registered Global Covered Bond is registered in the name of a common depositary for Euroclear and/or Clearstream, Luxembourg or its nominee, and subject as provided in the Trust Deed, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as entitled to a particular Principal Amount Outstanding of the Covered Bonds represented by this Registered Global Covered Bond (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the Principal Amount Outstanding of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds for all purposes other than with respect to payments on such Principal Amount Outstanding of such Covered Bonds for which purpose the registered holder of this Registered Global Covered Bond shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bond shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bond shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bond shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bond and the Trust Deed.

Where this Registered Global Covered Bond is registered in the name of DTC or its nominee, and subject as provided in the Trust Deed, each person who is for the time being shown in the records of DTC as entitled to a particular Principal Amount Outstanding of the Covered Bonds represented by this Registered Global Covered Bond (in which regard any certificate or other document issued by DTC as to the Principal Amount Outstanding of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such Principal Amount Outstanding of the Covered Bonds for all purposes other than with respect to payments on and voting, giving consents and making requests in respect of, such Principal Amount Outstanding of such Covered Bonds for which purpose the registered holder of this Registered Global Covered Bonds in accordance with and subject to the terms of this Registered Global Covered Bond and the Trust Deed.

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Registered Global Covered Bond, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

This Registered Global Covered Bond and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

This Registered Global Covered Bond shall not be valid unless authenticated by Deutsche Bank Trust Company Americas, as Registrar.

**IN WITNESS WHEREOF** the Issuer has caused this Registered Global Covered Bond to be signed manually or in facsimile by a person duly authorised on its behalf.

# SANTANDER UK PLC

By: Authorised Signatory	
Authenticated by DEUTSCHE BANK TRUST COMPANY AMERICA as Registrar	S
By: Authorised Officer	

# **Schedule One**

# Part I

# **INTEREST PAYMENTS**

Date made	Total amount payable	Amount of interest paid	Confirmation of payment by or on behalf of the Issuer
	<del></del>		

# Part II

# REDEMPTIONS

Date made	Total amount of principal payable	Amount of principal paid	Principal Amount Outstanding of this Registered Global Covered Bond following such redemption*	Confirmation of redemption by or on behalf of the Issuer
	-		-	
			-	

<sup>\*</sup> See most recent entry in Part II or III or Schedule Two in order to determine this amount.

# Part III

# PURCHASES AND CANCELLATIONS

Date made	Part of the Principal Amount Outstanding of this Registered Global Covered Bond purchased and cancelled	Amount Outstanding of this Registered Global Covered Bond following such purchase and cancellation*	Confirmation of purchase and cancellation by or on behalf of the Issuer

<sup>\*</sup> See most recent entry in Part II or III or Schedule Two in order to determine this amount.

## **Schedule Two**

# SCHEDULE OF TRANSFERS

The following transfers affecting the Principal Amount Outstanding of this Registered Global Covered Bond have been made:

Date made	Principal Amount Outstanding of Covered Bonds transferred	Principal Amount Outstanding of this Registered Global Covered Bond following such transfer*	Notation made by or on behalf of the Issuer			

0090662-0000093 ICM:22360859.11

<sup>\*</sup> See most recent entry in Part II or III of Schedule One or in this Schedule Two in order to determine this amount.

#### FORM OF REGISTERED DEFINITIVE COVERED BOND

THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE OUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) EXCEPT (1) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (3) PURSUANT TO THE **EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES** ACT (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDER OF SUCH SECURITY SENT TO ITS REGISTERED ADDRESS, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

IF REQUESTED BY THE ISSUER OR BY A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS COVERED BOND IS PERMISSIBLE UNDER THE SECURITIES ACT. THIS COVERED BOND AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS COVERED BOND TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS

COVERED BOND, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.11

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

[THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE AGENCY AGREEMENT) AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE (I) PURSUANT TO RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (II) TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN, AND IN TRANSACTIONS PURSUANT TO, RULE 144A UNDER THE SECURITIES ACT.]<sup>2</sup>

[FOR THE PURPOSES OF APPLYING THE ORIGINAL ISSUE DISCOUNT RULES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, (1) THE ISSUE DATE OF THIS COVERED BOND IS []; (2) THE YIELD TO MATURITY IS []% (COMPOUNDED SEMI-ANNUALLY); (3) THIS COVERED BOND IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT IN THE AMOUNT OF U.S.\$[] PER U.S.\$1,000 PRINCIPAL AMOUNT; (4) THE [] METHOD SPECIFIED IN THE TREASURY REGULATIONS HAS BEEN USED TO DETERMINE YIELD AND THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCABLE TO THE SHORT INITIAL ACCRUAL PERIOD BEGINNING [] AND ENDING []; AND (5) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ALLOCATED TO SUCH ACCRUAL PERIOD IS U.S.\$[] PER U.S.\$[] PRINCIPAL AMOUNT.]<sup>3</sup>

Insert and complete if original issue discount applies.

This legend shall be borne by Registered Definitive Covered Bonds issued in exchange for a Rule 144A Global Covered Bond.

<sup>&</sup>lt;sup>2</sup> This legend shall be borne by Registered Definitive Covered Bonds issued in exchange for a Regulation S Global Covered Bond.

#### SANTANDER UK PLC

(incorporated with limited liability under the laws of England and Wales) (the **Issuer**)

# [Specified Currency and Nominal Amount of Tranche] COVERED BONDS DUE [Year of Maturity]

irrevocably guaranteed as to payments of interest and principal by

#### ABBEY COVERED BONDS LLP

(incorporated with limited partnership incorporated in England and Wales) (the **LLP**)

This Covered Bond is one of a Series of Covered Bonds of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer. References herein to the Conditions shall be to the Terms and Conditions [endorsed hereon/set out in the Schedule 1 to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out hereon] as supplemented, replaced and modified by the relevant information (appearing in the Final Terms Document (the **Final Terms Document**)) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms Document, such information will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Covered Bond. This Covered Bond is issued subject to, and with the benefit of, the Conditions and a trust deed (as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 3 June 2005 as modified on 16 August 2005 and modified and/or restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 29 June 2012, 12 July 2013, 25 June 2014 and 1 June 2016 and made between (inter alios) the Issuer, the LLP and Deutsche Trustee Company Limited in its capacities as Bond Trustee and as Security Trustee.

THIS IS TO CERTIFY that [ ] is/are the registered holder(s) of one of the above-mentioned Covered Bonds and is/are entitled on the Final Maturity Date and/or on such earlier date as this Covered Bond may become due and repayable in accordance with the Conditions and the Trust Deed, to the amount payable on redemption of this Covered Bond and to receive interest (if any) on the nominal amount of this Covered Bond calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

This Covered Bond shall not be valid unless authenticated by Deutsche Bank Trust Company Americas, as Registrar.

11081311111	
IN WITNESS V	WHEREOF this Covered Bond has been executed on behalf of the Issuer.
Issued as of [	] 20[●].
SANTANDER	UK PLC
By: Authorised Sig	natory

Authenticated by
DEUTSCHE BANK TRUST COMPANY AMERICAS
as Registrar
By:
Authorised Officer

## - FORM OF TRANSFER OF REGISTERED COVERED BOND -

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) to
(Please print or type name and address (including postal code) of transferee)
[Specified Currency][ ] Principal Amount Outstanding of this Covered Bond and all rights hereunder, hereby irrevocably constituting and appointing as attorney to transfer such Principal Amount Outstanding of this Covered Bond in the Register maintained by the Registrar on behalf of SANTANDER UK PLC with full power of substitution.
Signature(s)
Date:
NID THE COLUMN THE TAX AND A SECOND TO THE TAX AND A SECOND THE TAX AND

**N.B.**: This form of transfer must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions and must be executed under the hand of the transferor or, if the transferor is a corporation, either under its common seal or under the hand of two of its officers duly authorised in writing and, in such latter case, the document so authorising such officers must be delivered with this form of transfer.

# [Conditions]

[Conditions to be as set out in the First Schedule to this Trust Deed or such other form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange (if any).]

# **Final Terms Document**

[Here	to be	set out	text	of the	relevant	information	supplementing,	replacing	or modifying	the	Conditions
which	appear	in the	Fina	l Term	s Docum	ent relating t	o the Covered B	onds]			

#### **SCHEDULE 3**

#### FORM OF NOTICE TO PAY

[On the letterhead of the Bond Trustee]

To: Abbey Covered Bonds LLP (the **LLP**)
2 Triton Square
Regent's Place
London NW1 3AN

[insert date]

Dear Sirs,

# **Notice to Pay under Covered Bond Guarantee**

We refer to the €35 billion Global Covered Bond Programme of the Issuer and the trust deed dated 3 June 2005 as modified on 16 August 2005 and modified and/or restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 29 June 2012, 12 July 2013, 25 June 2014 and 1 June 2016, made between the Issuer, the LLP and Deutsche Trustee Company Limited as Bond Trustee and as Security Trustee (the **Trust Deed**).

We hereby confirm that an Issuer Event of Default has occurred and an Issuer Acceleration Notice has been served on the Issuer. Accordingly, this notice shall constitute a Notice to Pay which is served upon the LLP pursuant to Clause 7 of the Trust Deed.

Unless the context otherwise requires, capitalised terms used in this Notice to Pay and not defined herein shall have the meanings provided in the Master Definitions and Construction Agreement.

DEUTSCHE TRUSTEE COMPANY LIMITEI	)
for and on behalf of	
Tours rationary,	
Yours faithfully,	

#### **SCHEDULE 4**

#### PROVISIONS FOR MEETINGS OF COVERED BONDHOLDERS

- 1. (a) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
  - (i) **voting certificate** shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:
    - (A) that on the date thereof Bearer Covered Bonds (whether in definitive form or represented by a Bearer Global Covered Bond and not being Bearer Covered Bonds in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:
      - I. the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and
      - II. the surrender of the certificate to the Paying Agent who issued the same: and
    - (B) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Bearer Covered Bonds represented by such certificate;
  - (ii) **block voting instruction** shall mean an English language document issued by a Paying Agent and dated in which:
    - (A) it is certified that Bearer Covered Bonds (whether in definitive form or represented by a Bearer Global Covered Bond and not being Bearer Covered Bonds in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Covered Bonds will cease to be so deposited or held or blocked until the first to occur of:
      - I. the conclusion of the meeting specified in such document or, if later, of any adjourned such meeting; and
      - II. the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Bearer Covered Bond which is to be released or (as the case may require) the Bearer Covered Bond or Bearer Covered Bonds ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving

of notice by the Paying Agent to the Issuer in accordance with paragraph 16 hereof of the necessary amendment to the block voting instruction;

- (B) it is certified that each holder of such Bearer Covered Bonds has instructed such Paying Agent that the vote(s) attributable to the Bearer Covered Bond or Bearer Covered Bonds so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
- (C) the aggregate principal amount of the Bearer Covered Bonds so deposited or held or blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (D) one or more persons named in such document (each hereinafter called a **proxy**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Bearer Covered Bonds so listed in accordance with the instructions referred to in (C) above as set out in such document;
- (iii) 24 hours shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and
- (iv) 48 hours shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.
- (b) A holder of a Bearer Covered Bond (whether in definitive form or represented by a Bearer Global Covered Bond) may obtain a voting certificate in respect of such Covered Bond from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Covered Bond by depositing such Bearer Covered Bond with such Paying Agent or (to the satisfaction of such Paying Agent) by such Bearer Covered Bond being held to its order or under its control or being blocked in an account with a clearing system, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in sub-paragraph (a)(i)(A) or (a)(ii)(A) above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in sub-paragraph (a)(ii)(B) above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Covered Bondholders be deemed to be the holder of the Bearer Covered Bonds

to which such voting certificate or block voting instruction relates and the Paying Agent with which such Bearer Covered Bonds have been deposited or the person holding the same to the order or under the control of such Paying Agent or the clearing system in which such Bearer Covered Bonds have been blocked shall be deemed for such purposes not to be the holder of those Bearer Covered Bonds.

- (c) A holder of Registered Covered Bonds (including, for the avoidance of doubt, an N Covered Bond) (whether in definitive form or represented by a Registered Global Covered Bond (other than a Registered Covered Bond referred to in (iv) below)) may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar (in the case of a Covered Bond other than an N Covered Bond) and the N Covered Bond Registrar (in the case of an N Covered Bond) not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting of the Covered Bondholders and any adjourned such meeting.
  - (ii) Any holder of Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a **representative**) in connection with any meeting of the Covered Bondholders and any adjourned such meeting.
  - (iii) Any proxy appointed pursuant to sub-paragraph (i) above or representative appointed pursuant to sub-paragraph (ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Covered Bondholders, to be the holder of the Registered Covered Bonds to which such appointment relates and the holder of the Registered Covered Bonds shall be deemed for such purposes not to be the holder.
  - (iv) For so long as any of the Registered Covered Bonds is represented by a Global Covered Bond registered in the name of DTC or its nominee, DTC may mail an Omnibus Proxy to the Issuer in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Covered Bondholders. Such Omnibus Proxy shall assign the voting rights in respect of the relevant meeting to DTC's direct participants as of the record date specified therein. Any such assignee participant may, by an instrument in writing in the English language signed by such assignee participant or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar or any Transfer Agent before the time fixed for the relevant meeting, appoint any person (a sub-proxy) to act on his or its behalf in connection with any meeting of Covered Bondholders and any adjourned such meeting. All references to **proxy** or **proxies** in this Schedule other than in this paragraph shall be read so as to include references to sub-proxy or sub-proxies.
- 2. The Issuer, the LLP or the Bond Trustee or (in relation to a meeting for the passing of a Programme Resolution) the Covered Bondholders of any Series may at any time and the Issuer shall upon a requisition in writing in the English language signed by the holders of not less than ten per cent. of the Principal Amount Outstanding of the Covered Bonds for the time being outstanding convene a meeting of the Covered Bondholders. The Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict

between the holders of the Covered Bonds of the relevant Series, in which event the provisions of this Schedule shall apply thereto *mutatis mutandis*.

- 3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the holders of the relevant Covered Bonds prior to any meeting of such holders in the manner provided by Condition 13 (Notices) of the Programme Conditions (in the case of Covered Bonds which are not N Covered Bonds) and Condition 10 (Notices) of the N Covered Bond Conditions (in the case of N Covered Bonds). Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that (i) Bearer Covered Bonds may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control or blocked in an account with a clearing system for the purpose of obtaining voting certificates or appointing proxies and (ii) the holders of Registered Covered Bonds may appoint proxies by executing and delivering a form of proxy in the English language to the specified office of the Registrar not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Bond Trustee (unless the meeting is convened by the Bond Trustee), and to the Issuer (unless the meeting is convened by the Issuer) and to the LLP (unless the meeting is convened by the LLP).
- 4. A person (who may but need not be a Covered Bondholder) nominated in writing by the Bond Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Covered Bondholders present shall choose one of their number to be Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
- 5. At any such meeting one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-twentieth of the Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution or a Programme Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution (subject as provided below) or a Programme Resolution shall be one or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing more than fifty per cent. of the Principal Amount Outstanding of the Covered Bonds of the relevant Series for the time being outstanding PROVIDED THAT at any meeting the business of which includes any of the following matters (other than in relation to a Programme Resolution) (each of which shall, subject only to Clause 20.2(a), only be capable of being effected after having been approved by Extraordinary Resolution) namely:
  - (a) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the Covered Bonds;
  - (b) alteration of the currency in which payments under the Covered Bonds, Receipts and Coupons are to be made;

- (c) alteration of the majority required to pass an Extraordinary Resolution;
- (d) any amendment to the Covered Bond Guarantee or the Deed of Charge (except in a manner determined by the Bond Trustee not to be materially prejudicial to the interests of the Covered Bondholders of any Series);
- (e) the sanctioning of any such scheme or proposal as is described in paragraph 17(i) below; and
- (f) alteration of this proviso or the proviso to paragraph 6 below;

(each a **Series Reserved Matter**), the quorum shall be one or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than two-thirds of the Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Covered Bondholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday, the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Bond Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Bond Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Bond Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings. At any adjourned meeting one or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives (whatever the nominal amount of the Bearer Covered Bonds of the relevant Series so held or represented by them) shall (subject as provided below) form a quorum and shall have power to pass any Extraordinary Resolution, Programme Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present PROVIDED THAT at any adjourned meeting the quorum for the transaction of business comprising any Series Reserved Matter shall be one or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies and holding or representing in the aggregate not less than one-third of the Principal Amount Outstanding of the Bearer Covered Bonds of all Series for the time being outstanding:

Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

7. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Covered Bondholder or as a holder of a voting certificate or as a proxy or as a representative.

- 8. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the LLP, the Bond Trustee or any person present holding a Definitive Covered Bond or a voting certificate or being a proxy or representative (whatever the Principal Amount Outstanding of the Covered Bonds so held or represented by him), a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 9. Subject to paragraph 11 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
- 10. The Chairman may, with the consent of (and shall if directed by) any such meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
- 11. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
- 12. The Bond Trustee and its lawyers and any director, officer or employee of a corporation being a bond trustee of the trust presents and any director or officer of the Issuer or, as the case may be, the LLP and any of their lawyers and any other person authorised so to do by the Bond Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of outstanding as set out in the Master Definitions and Construction Agreement, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of Covered Bondholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on Covered Bondholders by Condition 9 (Events of Default, Acceleration and Enforcement) unless he either produces the Bearer Definitive Covered Bond or Bearer Definitive Covered Bonds of which he is the holder or a voting certificate or is a proxy or a representative or is the holder of a Registered Definitive Covered Bond or Registered Definitive Covered Bonds. No person shall be entitled to vote at any meeting in respect of Covered Bonds held by, for the benefit of, or on behalf of, the Issuer or the LLP. Nothing herein shall prevent any of the proxies named in any block voting instruction or form of proxy or any representative from being a director, officer or representative of or otherwise connected with the Issuer or the LLP.
- 13. Subject as provided in paragraph 12 hereof at any meeting:
  - (a) on a show of hands every person who is present in person and produces a Bearer Definitive Covered Bond or voting certificate or is a holder of a Registered Definitive Covered Bond or is a proxy or representative shall have one vote; and
  - (b) on a poll every person who is so present shall have one vote in respect of each £1 or such other amount as the Bond Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Covered Bonds denominated in another currency, such amount in such other currency as the Bond Trustee in its absolute discretion may stipulate) in the Principal Amount Outstanding of the Bearer Definitive Covered Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative or in respect of which (being a Registered Definitive Covered Bond) he is a registered holder.

Without prejudice to the obligations of the proxies named in any block voting instruction or form of proxy and representatives any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

- 14. The proxies named in any block voting instruction or form of proxy and representatives need not be Covered Bondholders.
- 15. Each block voting instruction together (if so requested by the Bond Trustee) with proof satisfactory to the Bond Trustee of its due execution on behalf of the relevant Paying Agent and each form of proxy shall be deposited by the relevant Paying Agent or (as the case may be) by the Registrar or the relevant Transfer Agent at such place as the Bond Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or form of proxy propose to vote and in default the block voting instruction or form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A copy of each block voting instruction and form of proxy shall (if the Bond Trustee so requires) be deposited with the Bond Trustee before the commencement of the meeting or adjourned meeting but the Bond Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction or form of proxy.
- 16. Any vote given in accordance with the terms of a block voting instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or form of proxy or of any of the relevant Covered Bondholders' instructions pursuant to which it was executed PROVIDED THAT no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent or in the case of a Registered Covered Bond from the holder thereof by the Issuer at its registered office (or such other place as may have been required or approved by the Bond Trustee for the purpose) by the time being 24 hours and 48 hours respectively before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction or form of proxy is to be used.
- 17. A meeting of the Covered Bondholders shall, in addition to the powers hereinbefore given, have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:
  - (a) Power to sanction any compromise or arrangement proposed to be made between the Issuer, the LLP, the Bond Trustee, the Security Trustee, any Appointee and the Covered Bondholders, Receiptholders and Couponholders or any of them.
  - (b) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Bond Trustee, the Security Trustee, any Appointee, the Covered Bondholders, the Receiptholders, Couponholders, or the Issuer or the LLP or against any other or others of them or against any of their property whether such rights shall arise under the trust presents or the other Transaction Documents or otherwise.
  - (c) Power to assent to any modification of the provisions of the trust presents or the other Transaction Documents which shall be proposed by the Issuer, the LLP, the Bond Trustee, the Security Trustee or any Covered Bondholder.
  - (d) Power to give any authority or sanction which under the provisions of the trust presents is required to be given by Extraordinary Resolution.
  - (e) Power to appoint any persons (whether Covered Bondholders or not) as a committee or committees to represent the interests of the Covered Bondholders and to confer upon such

- committee or committees any powers or discretions which the Covered Bondholders could themselves exercise by Extraordinary Resolution.
- (f) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of the trust presents and/or the Deed of Charge.
- (g) Power to discharge or exonerate the Bond Trustee and/or any Appointee from all liability in respect of any act or omission for which the Bond Trustee and/or such Appointee may have become responsible under the trust presents and/or the Deed of Charge.
- (h) Power to authorise the Bond Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
- (i) Power to sanction any scheme or proposal for the exchange or sale of the Covered Bonds for or the conversion of the Covered Bonds into or the cancellation of the Covered Bonds in consideration of shares, stock, covered bonds, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, bonds, covered bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the Covered Bondholders to execute an instrument of transfer of the Registered Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively.
- 18. Any resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the trust presents shall be binding upon all the Covered Bondholders whether present or not present at such meeting and whether or not voting and upon all Receiptholders and Couponholders and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Covered Bondholders shall be published in accordance with Condition 13 (*Notices*) (in the case of Covered Bonds which are not N Covered Bonds) and Condition 10 (*Notices*) of the N Covered Bonds Conditions (in the case of N Covered Bonds) by the Issuer within 14 days of such result being known PROVIDED THAT the non-publication of such notice shall not invalidate such result.
- 19. The expression **Extraordinary Resolution** when used in the trust presents means (a) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the trust presents by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll; or (b) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than 75 per cent. in Principal Amount Outstanding of the Covered Bonds, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Covered Bondholders.
- 20. Minutes of all resolutions and proceedings at every meeting of the Covered Bondholders shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.

- 21. (a) If and whenever the Issuer shall have issued and have outstanding Covered Bonds of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:
  - (i) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Covered Bonds of that Series;
  - (ii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series but does not give rise to a conflict of interest between the holders of Covered Bonds of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Covered Bonds of all the Series so affected:
  - (iii) a resolution which in the opinion of the Bond Trustee affects the Covered Bonds of more than one Series and gives or may give rise to a conflict of interest between the holders of the Covered Bonds of one Series or group of Series so affected and the holders of the Covered Bonds of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Covered Bonds of each Series or group of Series so affected;
  - (iv) a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the Covered Bondholders of all Series; and
  - (v) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Covered Bonds and Covered Bondholders were references to the Covered Bonds of the Series or group of Series in question or to the holders of such Covered Bonds, as the case may be.
  - (b) If the Issuer shall have issued and have outstanding Covered Bonds which are not denominated in Sterling in the case of any meeting or request in writing or written resolution of holders of Covered Bonds of more than one currency (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom or any such request or written resolution) the Principal Amount Outstanding of such Covered Bonds shall be the equivalent in Sterling at the relevant Covered Bond Swap Rate. In such circumstances, on any poll each person present shall have one vote for each £1 (or such other Sterling amount as the Bond Trustee may in its absolute discretion stipulate) of the Principal Amount Outstanding of the Covered Bonds (converted as above) which he holds or represents.
- 22. Subject to all other provisions of the trust presents the Bond Trustee may, without the consent of the Issuer, the LLP, the Covered Bondholders, the Receiptholders or the Couponholders, prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Covered Bondholders and attendance and voting thereat as the Bond Trustee may in its sole discretion think fit.

#### **SCHEDULE 5**

### FORM OF DIRECTORS' CERTIFICATE

[On the headed paper of the Issuer/LLP]

To: Deutsche Trust Company Limited
Winchester House
1 Great Winchester Street
London
EC2N 2DB

For the attention of [ ]

[Date]

Dear Sirs,

## [Description of Notes]

This certificate is given to you in your capacity as Trustee under the Trust Deed (as defined below) in accordance with Clause 15.1(m) of the trust deed dated 3 June 2005 as modified on 16 August 2005 and modified and/or restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 29 June 2012, 12 July 2013, 25 June 2014 and 1 June 2016 (the **Trust Deed**) and made between Santander UK plc (the **Issuer**), Abbey Covered Bonds LLP (the **LLP**) and Deutsche Trustee Company Limited (the **Trustee**). All words and expressions defined in the Trust Deed shall (save as otherwise provided herein or unless the context otherwise requires) have the same meanings herein.

We hereby certify to you in your capacity as aforesaid that:

- (a) [as at [ ]16, no Issuer Event of Default or Potential Issuer Event of Default existed [other than [ ]]17 and no Issuer Event of Default or Potential Issuer Event of Default had existed at any time since [ ]18 [the certification date of the previous certificate delivered under Clause 15.1(l)19 [other than [ ]]20; and]
- (b) as at [ ] 16 no LLP Event of Default or Potential LLP Event of Default existed [other than [ ]] 17 and No LLP Event of Default or Potential LLP Event of Default had existed at any time since [ ] 18 [the certification date of the previous certificate delivered under Clause 15.1(1)] 19 [other than [ ]] 20; and]

Specify a date not more than 7 days before the date of delivery of the certificate.

If any event of default or potential event of default did exist, give details; otherwise delete.

If any event data of Trust Dead in respect of the first partificate delivered under Clayer 15(t) otherwise.

Insert date of Trust Deed in respect of the first certificate delivered under **Clause 15(I)**, otherwise delete.

Include unless the certificate is the first certificate delivered under **Clause 15(I)**, in which case delete.

If any event of default of potential event of default did exist, give details, otherwise delete.

(c)	[from and including [ ] <sup>18</sup> [the certification date of the p	
	Clause $15.1(m)$ <sup>19</sup> to and including [ ] <sup>16</sup> , [the Issuer] [the	e LLP] <sup>21</sup> has complied with all its
	obligations under the trust presents [other than [ ]] <sup>22</sup> .]	
	• • • • • • • • • • • • • • • • • • • •	
	Issuer Authorised Signatory	Issuer Authorised Signatory

21

Delete as appropriate. If the Issuer [and/or LLP] has failed to comply with any such obligation(s), give details; otherwise delete. 22

#### **SCHEDULE 6**

### PRO FORMA N COVERED BOND AND N COVERED BOND AGREEMENT

## N COVERED BOND (NAMENSSCHULDVERSCHREIBUNG)

THIS SECURITY AND ANY GUARANTEE IN RESPECT THEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR ANY APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. THE N COVERED BOND AND THE N COVERED BOND CONDITIONS ARE SUBJECT TO THE N COVERED BOND AGREEMENT. THE N COVERED BOND IS NOT A SECURITY WITHIN THE MEANING OF ART. 2 (1) LIT. (A) OF THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 (THE PROSPECTUS DIRECTIVE). IT MAY ONLY BE SOLD IN GERMANY IN ACCORDANCE WITH APPLICABLE GERMAN SECURITIES LAWS INCLUDING THE GERMAN SECURITIES SALES PROSPECTUS ACT.

### SANTANDER UK PLC

(incorporated with limited liability in England and Wales registered number 2294747)

## SERIES [●] N COVERED BOND (NAMENSSCHULDVERSCHREIBUNG)

EUR [●],000,000 (EUR [●] million)

Issue Date: [●]

Final Maturity Date: [●]

unconditionally and irrevocably guaranteed as to payments of interest and principal in accordance with the Regulated Covered Bonds Regulations 2008 of the United Kingdom (S.I. 2008/346) (the **Regulated**Covered Bonds Regulations 2008) by

## ABBEY COVERED BONDS LLP

(a limited liability partnership incorporated in England and Wales registered number OC312644)

This certificate (the **Certificate**) evidences the Series [●] N Covered Bond (*gedeckte Namensschuldverschreibung*) (the **N Covered Bond**) issued by Santander UK plc (the **Issuer**) described, and having the provisions specified, in the N Covered Bond Conditions attached as Schedule 1 hereto (the **N Covered Bond Conditions**). Words and expressions defined or set out in the N Covered Bond Conditions shall have the same meaning when used in this Certificate. The Issuer shall pay to the registered holder of this N Covered Bond the amounts payable in respect thereof pursuant to the N Covered Bond Conditions.

The rights and claims arising out of the N Covered Bond as well as the title to this Certificate will be transferred solely on the basis of due registration in the register (the **Register**) maintained by Deutsche Bank Aktiengesellschaft, Frankfurt am Main as registrar (the **Registrar**). Solely the duly registered N Covered Bondholder in the Register may claim payments under the N Covered Bond. At the date hereof [insert name and complete address of Initial N Covered Bondholder] has been entered in the Register as the holder of this N Covered Bond (the Initial N Covered Bondholder) in the aforesaid principal amount. This N Covered Bond is not valid unless authenticated by the Registrar. Only the English version of this Certificate is binding. A German language translation may be provided for convenience only.

IN WITNESS whereof the Issuer has caused this N Covered Bond to be duly executed on its behalf.

[Insert Issue Date]

# SANTANDER UK PLC

SIGNED by	
as an authorised signato	ry
for <b>SANTANDER UK</b>	PLC
in the presence of:	
Witness's Signature	
Name:	
Address:	

Authenticated without recourse, Warranty or liability by

**Deutsche Bank AG** 

#### **SCHEDULE 1**

### N COVERED BOND CONDITIONS

# 1. CURRENCY AND PRINCIPAL AMOUNT, FORM, CERTAIN DEFINITIONS

- 1.1 Currency and Principal Amount. This N Covered Bond (gedeckte Namensschuldverschreibeung) is issued by Santander UK plc (the **Issuer**) in Euro (the **Specified Currency**) in the principal amount of [insert principal amount] (the **Principal Amount**) on [insert issue date] (the **Issue Date**).
- 1.2 Form. This N Covered Bond is represented by a certificate (the **Certificate**) which bears the manual or scanned signature of one duly authorised signatory of the Issuer and is manually authenticated by or on behalf of the Registrar and which is registered in the name of the Initial N Covered Bondholder (as defined in the Certificate). In case of an assignment of this N Covered Bond (as described in Condition 8 (Assignment) of these N Covered Bond Conditions) a new certificate in the name of an assignee will only be issued upon request and at the cost of the assignee and may be collected at the offices of the Registrar or dispatched to the address stated in the assignment and accession agreement at the risk of the relevant assignee and against delivery of any certificate issued previously to the relevant assignor.

## 1.3 *Certain Definitions*.

**Register** means the register maintained by the Registrar (as defined in Condition 9 (*Paying Agent and Registrar*) of these N Covered Bond Conditions) in relation to N Covered Bonds issued under the Programme.

**N Covered Bondholder** means the Initial N Covered Bondholder and, following an assignment, any person who is at any time registered in the Register maintained by the Registrar as N Covered Bondholder and who has executed an Assignment and Accession Agreement.

## 2. STATUS

- 2.1 Status of the N Covered Bond. This N Covered Bond constitutes direct, unconditional, unsubordinated and unsecured obligations of the Issuer and ranks pari passu without any preference with other covered bonds (including N Covered Bonds) issued under the Programme (as defined below) and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, other than any obligations preferred by mandatory provisions of applicable law.
- 2.2 Covered Bond Guarantee. This N Covered Bond is issued under and, subject to the execution of or, in the case of an assignment, the accession by the assignee to the N Covered Bond Agreement between the Issuer, Abbey Covered Bonds LLP (the LLP), Deutsche Trustee Company Limited (the Bond Trustee) and the Initial N Covered Bondholder (the N Covered Bond Agreement), forms part of the Issuer's €35 billion global covered bond programme (the Programme) which is unconditionally and irrevocably guaranteed as to payments of interest and principal when the same become Due for Payment by the LLP in accordance with the Regulated Covered Bonds Regulations 2008 in favour of the Bond Trustee for the benefit of the bondholders under the Programme as further described in the trust deed dated [●] (as amended, modified, superseded or replaced from time to time, the Trust Deed).
- 2.3 Regulated Covered Bonds Regulations 2008. The Programme, including this N Covered Bond, has been admitted to the register of regulated covered bonds and the Issuer has been admitted to the register of issuers, in each case pursuant to the Regulated Covered Bonds Regulations 2008.

## 3. INTEREST

- Amount Outstanding for each Fixed Interest Period from (and including) [insert issue date as a calendar date or other date as required] (the Interest Commencement Date) at the rate per annum equal to [insert rate of interest] per cent (the Rate of Interest) payable annually, subject as provided in these N Covered Bond Conditions, in arrear on the [insert Interest Payment Date] from and including [insert first Interest Payment Date] (each such date an Interest Payment Date) in each year up to (and including) the Final Maturity Date (as defined in Condition 4.1 (Final Redemption) of these N Covered Bond Conditions).
- 3.2 Calculation of interest amount. If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding, multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these N Covered Bond Conditions:

### **Business Day** means a day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London; and
- (ii) a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) payment system, which utilises a single shared platform and which was launched on 19 November 2007 (the **TARGET2 System**) is open;

**Day Count Fraction** means the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

**Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

**Principal Amount Outstanding** means in respect of an N Covered Bond on any day the principal amount of that N Covered Bond on the Issue Date thereof less principal amounts received by the relevant N Covered Bondholder in respect thereof on or prior to that day; and

sub-unit means euro 0.01.

## 4. REDEMPTION

- 4.1 *Final Redemption.* Unless previously redeemed in full, or purchased and cancelled, this N Covered Bond will be redeemed by the Issuer at its [*insert final redemption amount*] (the **Final Redemption Amount**) in the Specified Currency on [*insert Final Maturity Date*] (the **Final Maturity Date**).
- 4.2 Redemption for Taxation Reasons. This N Covered Bond may be redeemed at the option of the Issuer in whole (but not in part) at any time giving not less than 30 nor more than 60 days' notice to the Bond Trustee and, in accordance with Condition 10 (Notices) of these N Covered Bond Conditions, the N Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that on the occasion of the next Interest

Payment Date the Issuer is or will be required to pay additional amounts as provided in Condition 6 (*Taxation*) of these N Covered Bond Conditions. If this N Covered Bond is redeemed pursuant to this Condition 4.2 (*Redemption for Taxation Reasons*) of the N Covered Bond Conditions it will be redeemed at its Final Redemption Amount (as defined in Condition 4.1 (*Final Redemption*) of these N Covered Bond Conditions) together with interest accrued to (but excluding) the date of redemption. The Issuer shall inform the Registrar without undue delay about any exercise of the tax redemption option.

- 4.3 Purchase of N Covered Bond. The Issuer or any of its subsidiaries (including the LLP) may at any time purchase or otherwise acquire the N Covered Bond at any price in the open market either by tender or private agreement or otherwise. If the purchase is made by tender, the tender must be available to all N Covered Bondholders alike. The N Covered Bond so purchased may be held, reissued, resold or, at the option of the Issuer or the relevant subsidiary, surrendered to any Paying Agent and/or the Registrar for cancellation (except if purchased or otherwise acquired by the LLP in which case it must immediately be surrendered to any Paying Agent and/or the Registrar for cancellation).
- 4.4 Cancellation of N Covered Bond upon Redemption or Purchase. If this N Covered Bond is redeemed in accordance with this Condition 4 or surrendered for cancellation pursuant to Condition 4.3 (Purchase of N Covered Bond) of these N Covered Bond Conditions, it will be cancelled forthwith and may not be reissued or resold.

### 5. PAYMENTS

- 5.1 General. Subject as provided below, payments will be made against presentation (in case of payments of principal against presentation and surrender) of the Certificate at the specified office of the German Paying Agent (as defined in Condition 9 (Paying Agent and Registrar) of these N Covered Bond Conditions) by the German Paying Agent by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the N Covered Bondholder the details of which are recorded by the German Paying Agent (the **Designated Account**) provided that the details of such Designated Account have been notified to the German Paying Agent not later than 10 (ten) Business Days prior to any relevant payment date. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment. References to euro will include any successor currency under applicable law.
- 5.2 *Payments*. Payment of principal and interest on this N Covered Bond shall be made on the respective Payment Day thereof to the persons shown in the Register as the N Covered Bondholders at the close of business on the tenth Business Day before such due date (the **Record Date**).
- 5.3 Assignments without Accrued Interest. In case of an assignment of this N Covered Bond (in whole or in part) occurring during any Interest Period and unless the German Paying Agent has received a notice from the previous N Covered Bondholder that the assignment was made with accrued interest, payments of interest on this N Covered Bond shall be made on the respective due date pro rata temporis and on a pro rata basis with respect to the principal amount to each N Covered Bondholder for the period of his holding of the N Covered Bond and in each case from and including the previous Interest Payment Date or the Interest Commencement Date or, as the case may be, the relevant previous Transfer Date (as set out in the relevant assignment and accession agreement) to but excluding the Interest Payment Date or, as the case may be, the relevant subsequent Transfer Date.

- 5.4 Interpretation of principal and interest. Any reference in these N Covered Bond Conditions to principal in respect of the N Covered Bond shall be deemed to include, as applicable:
  - (a) any additional amounts which may be payable with respect to principal under Condition 6 (*Taxation*) of these N Covered Bond Conditions or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
  - (b) the Final Redemption Amount of the N Covered Bond;
  - (c) any premium and any other amounts (other than interest) which may be payable under or in respect of the N Covered Bonds;
  - (d) any Excess Proceeds attributable to principal which may be payable by the Bond Trustee to the LLP under or in respect of the N Covered Bonds.

**Excess Proceeds** means monies received (following the service of an acceleration notice on the Issuer as set out in the Trust Deed) by the Bond Trustee from the Issuer or any administrator, administrative receiver, receiver, liquidator, trustee in sequestration, bank administrator, bank liquidator or other similar official appointed in relation to the Issuer.

Any reference in these N Covered Bond Conditions to interest in respect of the N Covered Bond shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6 (*Taxation*) of these N Covered Bond Conditions.

- Payment Day. If the date for payment of any amount in respect of the N Covered Bond is not a Payment Day (as defined below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition 5.5 (unless otherwise specified in the applicable N Covered Bond Agreement), **Payment Day** means any day which (subject to Condition 7 (*Counterclaims*) of these N Covered Bond Conditions) is:
  - (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Frankfurt am Main and London; and
  - (b) a day on which the TARGET2 System is open.

For the purposes of this Condition 5 (*Payments*), **Business Day** means a day on which banks are open for business in the city where the specified office of the Registrar is located.

## 6. TAXATION

All amounts payable (whether in respect of principal, interest or otherwise) in respect of this N Covered Bond will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof. In the event of a withholding or deduction being made by the Issuer in respect of a payment made by it in respect of a tax imposed or levied by or on behalf of the United Kingdom or any political subdivision thereof or any authority or agency therein or thereof having power to tax, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the N Covered Bondholder, after such withholding or deduction shall equal the respective amounts of principal and interest, if any, which would otherwise have been receivable in respect of

this N Covered Bond in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any payment in respect of this N Covered Bond:

- (a) if it is presented for payment in the United Kingdom; or
- (b) if the N Covered Bondholder is (i) able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration of non-residence or other claim for exemption to the relevant taxing authority but fails to do so; or (ii) liable for such taxes, duties, assessments or governmental charges in respect of this N Covered Bond by reason of his having some connection with the United Kingdom other than merely by reason of the holding of this N Covered Bond; or
- (c) if it is presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on the last day of such period of 30 days.

### As used herein:

**Relevant Date** means the date on which such payment in respect of this N Covered Bond first becomes due and payable, except that, if the full amount of the monies payable on such date has not been received by the Bond Trustee, the Registrar or the German Paying Agent on or prior to such date, it means the date on which such monies shall have been so received and notice to that effect has been given to the holder of this N Covered Bond in accordance with Condition 10 (*Notices*) of these N Covered Bond Conditions.

## 7. COUNTERCLAIMS

- 7.1 Set-off with unchallenged or recognised claims only. The Issuer shall only be entitled to set off against claims of any N Covered Bondholder under the N Covered Bond if the Issuer's claims are unchallenged or have been recognized by judgement.
- No set-off against restricted or cover pool assets. As long as and to the extent that an N Covered Bond belongs to the restricted assets (gebundenes Vermögen) of an insurance company within the meaning of § 54 of the German Insurance Supervisory Act (Versicherungsaufsichtsgesetz) or to a cover pool based on statutory law for the issuance of Pfandbriefe or other covered bonds, the Issuer waives (also in the event of insolvency of the N Covered Bondholder or in the event that insolvency proceedings or similar proceedings are instituted against the N Covered Bondholder) any right of set-off against the claims of any N Covered Bondholder under the N Covered Bond, as well as the exercise of any pledge, right of retention or other rights which could adversely affect the claims under the N Covered Bond.

# 8. ASSIGNMENT

- 8.1 Transfer by Assignment; Requirements. The rights of the N Covered Bondholder arising from this N Covered Bond may be transferred by assignment in whole or in part with a minimum principal amount of EUR 1,000,000 or integral multiples thereof provided that no such assignment shall be effective until the assignee has been duly entered in the Register by the Registrar and that the assignment must be made and shall only be effective if made in accordance with the form of the Assignment and Accession Agreement attached as Schedule 2 to the N Covered Bond (the Form of Assignment and Accession Agreement) and in conjunction with the accession by the assignee to the N Covered Bond Agreement (as provided in the Form of Assignment and Accession Agreement).
- 8.2 *Persons to be treated as N Covered Bondholders*. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the LLP, the German Paying Agent and the Registrar

and the other Agents shall deem and treat the registered holder of this N Covered Bond as the sole holder of the rights arising from the N Covered Bond.

8.3 Costs of Assignments. Assignments will be effected without charge by or on behalf of the Issuer or the Registrar, except that the Issuer or the Registrar may require the payment of a sum sufficient to enable it to pay or satisfy any stamp duty, tax or other governmental charge that may be imposed in relation to the assignment.

### 9. PAYING AGENT AND REGISTRAR

9.1 Specified Offices. The names of the German paying agent (the **German Paying Agent**) and the registrar (the **Registrar**) and their initial specified offices are set out below:

Deutsche Bank Aktiengesellschaft, Global Securities Services - Issuer Services, Taunusanlage 12, 60325 Frankfurt am Main, Germany. Tel.: +49 69 910 35270 / 38307. Fax.: +49 69 910 38395

In the event of the appointed office of any such bank being unable or unwilling to continue to act as the German Paying Agent or the Registrar, or failing duly to determine the Rate of Interest, if applicable, or to calculate the Interest Amounts for any Interest Period, the Issuer shall appoint the office of such other bank as may be approved by the Bond Trustee to act as such in its place. The German Paying Agent and the Registrar may not resign their duties or be removed from office without a successor having been appointed as aforesaid

- 9.2 Termination and Variation of Appointment. The Issuer is entitled, pursuant to the provisions of the agency agreement relating to the Programme (the Agency Agreement), with the prior written approval of the Bond Trustee, to vary or terminate the appointment of the German Paying Agent or the Registrar and/or appoint additional paying agents (each a Paying Agent) or other agents (each an Agent) and/or approve any change in the specified office through which any Paying Agent or any other Agent or the Registrar acts, provided that:
  - (a) there will at all times be at least one paying agent (being either the German Paying Agent or another Paying Agent), and a registrar; and
  - (b) the Issuer will, so long as N Covered Bonds are outstanding, maintain a Paying Agent (which may be the principal paying agent appointed under the Programme) having a specified office in a city approved by the Bond Trustee in Europe.

Notice of any variation, termination, appointment or change will be given by the Issuer to the N Covered Bondholders and the LLP as soon as reasonably practicable in accordance with Condition 10 (*Notices*) of these N Covered Bond Conditions.

9.3 Agents of the Issuer. In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the LLP and, in certain circumstances specified therein, of the Bond Trustee and do not assume any obligation to, or relationship of agency or trust with, any holders of N Covered Bonds. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

### 10. NOTICES

Notices to the N Covered Bondholder may be given by the Issuer to the German Paying Agent and Registrar for submission to the N Covered Bondholder appearing in the Register by post, fax, email or an equivalent way of electronic communication. If sent by post, notices will be deemed to have

been given on the fourth Business Day after the mailing by the German Paying Agent to the N Covered Bondholder.

### 11. PRESCRIPTION

The obligations of the Issuer to pay principal and interest in respect of this N Covered Bond shall be prescribed (i) in respect of principal upon the expiry of ten years following the respective due date for the payment of principal and (ii) in respect of interest upon the expiry of five years following the respective due date for the relevant payment of interest.

### 12. REPLACEMENT OF THE CERTIFICATE

If the Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the applicant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Certificate must be surrendered before a replacement certificate will be issued.

# 13. GOVERNING LAW, PLACE OF JURISDICTION AND PARTIAL INVALIDITY

- 13.1 Governing Law. With the exception of Condition 2.2 (Covered Bond Guarantee) and Condition 2.3 (Regulated Covered Bonds Regulations 2008) of these N Covered Bond Conditions which shall be governed by and construed in accordance with English law, this N Covered Bond and all rights and obligations arising under this N Covered Bond (including any non-contractual rights and obligations) shall be governed by and construed in accordance with German law.
- 13.2 Place of Jurisdiction. The courts of England and Wales shall have the exclusive jurisdiction for any dispute arising out of or in connection with this N Covered Bond and the Issuer and the N Covered Bondholder waives any right to invoke, and undertake not to invoke, any claim of forum non conveniens and irrevocably submit to the jurisdiction of the courts of England and Wales in respect of any action or proceeding relating in any way this N Covered Bond.
- 13.3 *Partial Invalidity*. If any provision of these N Covered Bond Conditions is or becomes invalid or unenforceable in whole or in part, the validity and enforceability of the remaining provisions shall not be affected thereby.

### 14. LANGUAGE

These N Covered Bond Conditions are written in the English language and may be provided with a German language translation. Only the English text shall be binding.

#### **SCHEDULE 2**

### FORM OF ASSIGNMENT AND ACCESSION AGREEMENT

THIS ASSIGNMENT AND ACCESSION AGREEMENT (the Agreement) is made on [insert date] BETWEEN:

- (1) [insert name and complete address of assignor] (the Assignor); and
- (2) [insert name and complete address of assignee] (the Assignee);

together the Parties and each a Party.

#### WHEREAS:

- (A) This Agreement relates to the [*insert series*] Euro [●],000,000 N Covered Bond due [*insert maturity date*] (the **N Covered Bond**) issued by Santander UK plc (the **Issuer**).
- (B) Pursuant to an N Covered Bond Agreement the N Covered Bond forms part of the Issuer's €35 billion global covered bond programme (the **Programme**) under which the liabilities of the Issuer as to the payments of interest and principal are unconditionally and irrevocably guaranteed by Abbey Covered Bonds LLP (the **LLP**) in accordance with the UK Regulated Covered Bonds Regulations 2008 (S.I. 2008/346) (the **Regulated Covered Bonds Regulations 2008**) in favour of Deutsche Trustee Company Limited (the **Bond Trustee**) for the benefit of the Covered Bondholders under the Programme as further described in the trust deed dated [•] (as amended, modified, superseded or replaced from time to time, the **Trust Deed**).

#### **NOW IT IS HEREBY AGREED** as follows:

## 1. DEFINITIONS AND INTERPRETATION

Unless specified otherwise, capitalised terms used, but not defined in this Agreement shall have the meaning given to them in the **N** Covered Bond Conditions which are attached as Schedule 1 to the N Covered Bond.

## 2. ASSIGNMENT

2.1 The Assignor hereby assigns to the Assignee its claims against the Issuer under the N Covered Bond together with all rights relating thereto (subject to Condition 5.3 (*Assignments without Accrued Interest*) of the N Covered Bond Conditions),

in the amount of: Euro  $[\bullet]$ ,000,000

(in words: [●] million Euro)

with effect from: [insert transfer date] (the Transfer Date).

2.2 The Assignee hereby accepts such assignment.

## 3. NOTIFICATION AND EFFECTIVENESS OF THE ASSIGNMENT

3.1 The Assignor shall immediately notify the Registrar of the assignment contemplated hereunder by sending an executed copy of this Agreement to Deutsche Bank Aktiengesellschaft (the "Paying

Agent"), GTO Securities Operations Europe, Fax: +49 69-910 41325 or such other office notified by the Registrar.

3.2 The assignment shall only become effective upon registration thereof in the Register maintained by the Registrar and provided that the other requirements set out in Condition 8 (*Assignment*) of the N Covered Bond Conditions have been met.

## 4. ACCOUNT OF THE ASSIGNEE

For the purposes of Condition 5 (*Payments*) of the N Covered Bond Conditions the Designated Account of the Assignee shall be the bank account held by the Assignee with [*insert bank*] which has the following references: [*insert details*].

### 5. ACCESSION TO N COVERED BOND AGREEMENT

The Assignee hereby accedes to and agrees to comply with and that it will be subject to the terms of the N Covered Bond Agreement as if it were a party thereto in its capacity as N Covered Bondholder. Pursuant to Clause 11 of the N Covered Bond Agreement, upon due registration of the assignment in the Register by the Registrar the Assignor ceases to be a party to and is released from the N Covered Bond Agreement with respect to the N Covered Bond or the part of the N Covered Bond assigned hereunder.

## 6. COPIES

This Agreement shall be executed in three original copies. One original copy shall be retained by the Assignor and Assignee respectively and one original copy shall be sent to the Registrar. The Registrar shall submit without undue delay a copy of this Agreement to DEUTSCHE TRUSTEE COMPANY LIMITED, Winchester House, 1 Great Winchester Street, London EC2N 2DB as Bond Trustee.

# 7. GOVERNING LAW; JURISDICTION; PARTIAL INVALIDITY

- 7.1 This Agreement (including any non-contractual rights and obligations arising out of or in connection with this Agreement) shall be governed by and construed in accordance with German law with the exception of Clause 5 (*Accession to N Covered Bond Agreement*) which in all respects shall be governed by English law.
- 7.2 The courts of England and Wales shall have the exclusive jurisdiction over any dispute arising out of or in connection with this Agreement.
- 7.3 If any provision of this Agreement or part thereof should be or become invalid or unenforceable, this shall not affect the validity or enforceability of the remaining provisions hereof.

# 8. LANGUAGE

This Agree	ement is	written	in the	English	language	and	may	be	provided	with a	German	language
translation.	Only the	e Englisl	h text s	shall be b	oinding.							

By:	[ASSIGNOR]						
Date:							
	[ASSIGNEE]						
By: Date:		_					
Date:							

#### **SCHEDULE 3**

### N COVERED BOND AGREEMENT

## **THIS N COVERED BOND AGREEMENT** (the **Agreement**) is made on [●]

### **BETWEEN**:

- (1) **SANTANDER UK PLC**, a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN 8BP (the **Issuer**);
- (2) **ABBEY COVERED BONDS LLP**, a limited liability partnership incorporated with limited liability under the laws of England and Wales, whose principal place of business is at 2 Triton Square, Regent's Place, London NW1 3AN (the **LLP**);
- (3) **DEUTSCHE TRUSTEE COMPANY LIMITED**, a company whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB (the **Bond Trustee**); and
- (4) [●], a [●] incorporated under the laws of [●], whose registered office is at [●] (the **Initial N Covered Bondholder**).

### WHEREAS:

- (A) The Issuer has established a €35 billion global covered bond programme (the **Programme**) as further described in a prospectus dated [•], as supplemented from time to time pursuant to which the Issuer may from time to time issue covered bonds (the **Covered Bonds**) denominated in any currency as may be agreed by the Issuer, the relevant Dealer(s) and the Principal Paying Agent.
- (B) Deutsche Trustee Company Limited has agreed to act as the Bond Trustee for the benefit of the Covered Bondholders, the Receiptholders and the Couponholders under the Programme, upon and subject to the terms of a Trust Deed dated [●] and made between the Issuer, the LLP and the Bond Trustee (as amended and restated from time to time, the **Trust Deed**).
- (C) The LLP has agreed to guarantee interest and principal payments on all Covered Bonds (including, without limitation, the N Covered Bonds) issued under the Programme as more particularly set out in the Trust Deed and in the circumstances described therein.
- (D) Together with the execution of this Agreement, the Issuer will issue to the Initial N Covered Bondholder the [*insert series*] N Covered Bond in the principal amount of EUR [●],000,000 represented by a certificate executed by the Issuer (the **N Covered Bond**) to which this Agreement relates.

## **NOW IT IS HEREBY AGREED** as follows:

## 1. DEFINITIONS AND INTERPRETATION

1.1 For the purposes of this Agreement, the following definitions shall apply:

Final Maturity Date has the meaning given in the N Covered Bond Conditions.

N Covered Bond has the meaning given to it in recital (D) above.

**N Covered Bond Conditions** means the terms and conditions of the N Covered Bond annexed as Schedule 1 to the N Covered Bond.

**Programme Conditions** means the terms and conditions set out in Schedule 1 of the Trust Deed as the same may from time to time be modified in accordance with the Trust Deed.

- 1.2 Any reference in this Agreement to the N Covered Bondholder shall include a reference to the Initial N Covered Bondholder (unless the Initial N Covered Bondholder has ceased to be a party to this Agreement in accordance with Clause 11(iii)) and to any assignees which have acceded to this Agreement as set out in Clause 11(iii) and who are registered as N Covered Bondholders by the Registrar.
- 1.3 The master definitions and construction agreement made between the parties to the Transaction Documents on [●] (as the same may be amended, varied and/or supplemented from time to time with the consent of the parties thereto) (the Master Definitions and Construction Agreement) and attached as Annex 1 hereto for information purposes is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Agreement shall, except where the context otherwise requires and save where otherwise defined (i) in the N Covered Bond Conditions, or (ii) herein, have the same meanings in this Agreement, including the recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in clause 2 (*Interpretation and Construction*) of the Master Definitions and Construction Agreement.

## 2. N COVERED BOND AGREEMENT

The N Covered Bondholder hereby agrees with the Issuer, the LLP and the Bond Trustee with respect to the N Covered Bond that it shall take the benefit of and be bound by and subject to:

- (a) (in its capacity as Covered Bondholder and beneficiary of the trusts constituted in the Trust Deed) the Trust Deed (excluding, except as specified herein, the Programme Conditions but including, without limitation and for the avoidance of doubt, the Covered Bond Guarantee granted pursuant to Clause 7 (Covered Bond Guarantee) thereof, the provisions on Proceedings, Action and Indemnification pursuant to Clause 10 (Proceedings, Action and Indemnification) thereof, the provisions relating to Waivers, Authorisations and Determinations pursuant to Clause 20 (Waiver, Authorisation and Determination) thereof, the provisions relating to Modifications pursuant to Clause 20.2 (Modification) thereof, the provisions in relation to Meetings of Covered Bondholders pursuant to Schedule 4 (Provisions for Meetings of Covered Bondholders) thereof), and the provisions in relation to limited recourse in clause 19 (Exercise of Certain Rights) of the Deed of Charge, and the other Transaction Documents to the extent relevant to the N Covered Bond and this Agreement;
- (b) the provisions of this Agreement; and
- (c) Condition 9 (Events of Default, Acceleration and Enforcement), Condition 14 (Meetings of Covered Bondholders, Modification, Waiver and Substitution), Condition 15 (Indemnification of the Bond Trustee and/or Security Trustee and Bond Trustee and/or Security Trustee Contracting with the Issuer and/or the LLP) and Condition 16 (Further Issues) of the Programme Conditions.

The N Covered Bondholder hereby acknowledges and agrees for the benefit of the Issuer, the LLP and the Bond Trustee that the N Bond Conditions shall be subject for all purposes to the provisions of the Trust Deed referred to in Clause 2(a) above.

### 3. COVERED BOND GUARANTEE

### 3.1 General

Subject to and in accordance with the terms of the Trust Deed and Condition 9 (*Events of Default, Acceleration and Enforcement*) of the Programme Conditions and as provided in the Covered Bond Guarantee, the LLP shall, following service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay or, if applicable, an LLP Acceleration Notice, pay or procure to be paid the Guaranteed Amounts in respect of the N Covered Bond on their Original Due for Payment Dates.

### 3.2 Hard Bullet Covered Bond

The N Covered Bond to which this Agreement relates is a Hard Bullet Covered Bond.

## 3.3 Excess Proceeds

- (a) As further set out in the Trust Deed, any Excess Proceeds shall be paid by the Bond Trustee on behalf of the Covered Bondholders (including the N Covered Bondholders) to the LLP and shall discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds.
- (b) Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the LLP under the Covered Bond Guarantee in connection with this Clause 3 (*Covered Bond Guarantee*).

## 4. REDEMPTION DUE TO ILLEGALITY

- 4.1 The N Covered Bond may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 10 (*Notices*) of the N Covered Bond Conditions, the N Covered Bondholder (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any Term Advance made by it to the LLP pursuant to the Intercompany Loan Agreement, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.
- 4.2 If the N Covered Bond is redeemed pursuant to this Clause 4, it will be redeemed at a price which shall be the higher of:
  - (a) its Principal Amount Outstanding, together with interest accrued to (but excluding) the date of redemption; and
  - (b) an appropriate make-whole amount deemed fair by an investment bank or other suitable entity of international repute nominated by the Issuer and approved in writing by the Bond Trustee.

# 5. INCORPORATION OF PROGRAMME CONDITIONS

The provisions of Condition 9 (Events of Default, Acceleration and Enforcement), Condition 14 (Meetings of Covered Bondholders, Modification, Waiver and Substitution) and Condition 15

(Indemnification of the Bond Trustee and/or Security Trustee and Bond Trustee and/or Security Trustee Contracting with the Issuer and/or the LLP) of the Programme Conditions shall apply in full to the N Covered Bond mutatis mutandis.

## 6. TAXATION

- Any reference in this Agreement or the N Covered Bond Conditions to any payment due in respect of the N Covered Bond shall be deemed to include any additional amounts which may be payable under Condition 6 (*Taxation*) of the N Covered Bond Conditions. Unless the context otherwise requires, any reference in this Agreement or the N Covered Bond Conditions to "principal" shall include any premium payable in respect of the N Covered Bond, the Final Redemption Amount, any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Covered Bonds and "interest" shall include all amounts payable pursuant to Condition 3 (*Interest*) of the N Covered Bond Conditions and any other amounts in the nature of interest (including Guaranteed Amounts) payable pursuant to this Agreement or the N Covered Bond Conditions.
- 6.2 All payments of Guaranteed Amounts by or on behalf of the LLP, will be made without withholding or deduction for, or on account of, any present or future tax, duties, assessments or governmental charges of whatever nature, unless the withholding or deduction is required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the LLP shall pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The LLP shall not be obliged to pay any additional amount to any N Covered Bondholder in respect of the amount of such withholding or deduction.

## 7. NOTICES AND ACCOUNT DETAILS

Address for Notices:

All notices that are required to be given to the N Covered Bondholder pursuant to this Agreement shall be delivered in accordance with Condition 10 (*Notices*) of the N Bond Conditions.

For the purposes of Condition 5 (*Payments*) of the N Covered Bond Conditions the account of [*N Covered Bondholder*] shall be as follows:

Name of Bank: [	]
Account Number: [	]

Account Details:

Account Name: [	J
SWIFT CODE: [	]
IBAN Number: [	]
Ref: [ ]	

## 8. REPRESENTATIONS

Each of the Issuer and the LLP hereby represents and warrants that the characteristics of the transaction comprising the issue of the N Covered Bond and the entry into and performance of each of the Transaction Documents and the other transactions to be entered into in connection therewith are not primarily attributable to an intention to avoid United Kingdom tax.

## 9. CONFLICTS

- 9.1 The N Covered Bondholder agrees with the LLP, the Issuer and the Bond Trustee that in the event of any conflict between the provisions of (i) the N Covered Bond Conditions and/or this Agreement and (ii) the Trust Deed, the provisions of the N Covered Bond Conditions and this Agreement will prevail.
- 9.2 The N Covered Bondholder agrees with the LLP, the Issuer and the Bond Trustee that the N Covered Bond Conditions are supplemented and modified hereby and that in the event of any conflict between the provisions of the N Covered Bond Conditions and any provisions contained in this Agreement, this Agreement will prevail.

## 10. ASSIGNMENT

Subject to the terms of the Trust Deed, neither this Agreement nor any of the rights or obligations under this Agreement will be assignable or transferable by any party except (i) by the Issuer in accordance with Condition 15 (*Indemnification of the Bond Trustee and/or Security Trustee and Bond Trustee and/or Security Trustee Contracting with the Issuer and/or the LLP*) of the Programme Conditions and Clause 23 (*New Bond Trustee*) of the Trust Deed; and (ii) in the case of the Bond Trustee, to any successor or new Bond Trustee appointed pursuant to the terms of the Trust Deed and except that (iii) upon an assignment of the N Covered Bond in whole or in part (as further described in Condition 8 (*Assignment*) of the N Covered Bond Conditions) and pursuant to an Assignment and Accession Agreement the assignee accedes to the N Covered Bond Agreement and the assignor ceases to be a party to the N Covered Bond Agreement with respect to the N Covered Bond or the part of the N Covered Bond so assigned.

## 11. NO ENFORCEMENT BY N COVERED BOND HOLDER

Subject to and in accordance with the Trust Deed, the N Covered Bondholder agrees with the LLP, the Issuer and the Bond Trustee that only the Bond Trustee may take action to enforce the terms of the N Covered Bond and the Trust Deed and it shall not take any steps or institute proceedings unless the Bond Trustee or the Security Trustee having become bound to do so proceed fails to do so within a reasonable time and such failure is continuing (in which case the N Covered Bondholder shall be entitled to take such steps).

## 12. GOVERNING LAW

This Agreement and all non contractual or other obligations arising out of or in connection with it are governed by English law.

## 13. PLACE OF JURISDICTION

The courts of England and Wales shall have the exclusive jurisdiction for any actions or other legal proceedings arising out of or in connection with this Agreement and the parties hereto agree to waive any right to invoke, and agree not to invoke, any claim of forum *non conveniens* and each party hereto irrevocably submits to the jurisdiction of the courts of England and Wales in respect of any action or proceeding relating in any way to this Agreement. [Any documents relating to such dispute may be served on the N Covered Bondholder by being delivered to [*insert agent for service of process*]].

## 14. PARTIAL INVALIDITY

If any provision of this Agreement is or becomes invalid in whole or in part, the remaining provisions shall remain unaffected thereby.

#### 15. THIRD PARTY BENEFICIARIES

Subject to any provision(s) of this Agreement under which rights are granted to third parties by express reference to the Contracts (Rights of Third Parties) Act 1999, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

#### 16. COUNTERPARTS

- 16.1 This Agreement may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement.
- 16.2 This Agreement shall not come into effect until each party has executed at least one counterpart.

**IN WITNESS** whereof this Agreement has been executed as a deed by each of the parties hereto and delivered on the date stated on page 1 of this Agreement.

# **SIGNATORIES**

# EXECUTED AS A DEED BY

SANTANDER UK PLC acting by its duly authorised attorney in the presence of Witness's Signature: Name: Address:	) ) ) )	
EXECUTED AS A DEED BY		
ABBEY COVERED BONDS LLP, acting by its duly authorised attorney in the presence of Witness's Signature: Name: Address:	) ) ) )	
THE COMMON SEAL of DEUTSCHE TRUSTEE COMPANY LIMITED in its capacity as Bond Trustee was affixed to this deed in the presence of: Associate Director:	) ) ) )	
Associate Director:		
EXECUTED AS A DEED BY		
[NAME OF INITIAL N COVERED BONDHOLDER] acting by:		
By:		
Date:		

# ANNEX 1

# MASTER DEFINITIONS AND CONSTRUCTION AGREEMENT

[to be inserted]

# **SIGNATORIES**

SIGNED as a DEED by	)
as attorney for SANTANDER UK plc in its capacity as Issuer in the presence of:	) ) )
Witness:	,
Name: Address:	
EXECUTED as a DEED by ABBEY COVERED BONDS LLP acting by Abbey Covered Bonds (LM) Limited as a Member and Santander UK plc as a Member in each case signed by their attorney in the presence of:	) ) ) ) ) ) ) )
Witness (for the attorney to Abbey Covered Box	nds (LM) Limited):
Name:	
Address:	
Witness (for the attorney to Santander UK plc (	as applicable)):
Name:	
Address:	

THE COMMON SEAL of	)
DEUTSCHE TRUSTEE COMPANY	)
LIMITED	)
in its capacities as Bond Trustee and	
Security Trustee	)
was affixed to this deed in the presence of:	)
Associate Director:	
Associate Director:	