

EXECUTION VERSION

THIRD AMENDED AND RESTATED BANK ACCOUNT AGREEMENT

23 JUNE 2015

**ABBAY COVERED BONDS LLP
as the LLP**

and

**ABBAY NATIONAL TREASURY SERVICES PLC
as an Account Bank**

and

**SANTANDER UK PLC
as Cash Manager, GIC Provider and an Account Bank**

and

**DEUTSCHE TRUSTEE COMPANY LIMITED
as Security Trustee**

ALLEN & OVERY

Allen & Overy LLP

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THIS THIRD AMENDED AND RESTATED BANK ACCOUNT AGREEMENT is made on 23 June 2015

BETWEEN:

- (1) **ABBEY COVERED BONDS LLP** (registered number OC312644), a limited liability partnership incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, referred to herein as the **LLP**;
- (2) **ABBEY NATIONAL TREASURY SERVICES PLC** (registered number 2338548), 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 (in its capacity as an **Account Bank**);
- (3) **SANTANDER UK PLC** (formerly **ABBEY NATIONAL PLC**) (registered number 2294747), 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 (in its capacity as **Cash Manager**, in its capacity as **GIC Provider** and in its capacity as an **Account Bank**); and
- (4) **DEUTSCHE TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England and Wales whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB (in its capacity as **Security Trustee**).

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- (a) The master definitions and construction agreement made between, *inter alios*, the parties to this Agreement on 3 June 2005 as amended and restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 24 December 2012, as further amended on 12 July 2013 and as further amended and restated on or about the date hereof (as the same may be further amended, restated, varied and/or supplemented from time to time, the **Master Definitions and Construction Agreement**) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Agreement (as so amended, restated, varied and/or supplemented) shall, except where the context otherwise requires and save where otherwise defined 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** of that Master Definitions and Construction Agreement.
- (b) This Agreement amends and restates the amended and restated bank account agreement dated 4 October 2007, as amended and restated on 9 September 2011, between the parties hereto, in respect of a Covered Bond Programme (the **Programme**) established by the Issuer.

2. THE GIC ACCOUNT

2.1 Instructions from the Cash Manager

Subject to **Clauses 2.4** and **5.3**, the Account Banks shall comply with any direction of the Cash Manager given on a London Business Day to effect a payment by debiting any one of the LLP Accounts held with the Account Banks, (a) in the case of the LLP Accounts other than the Swap Payments Accounts and the Swap Collateral Accounts if such direction (i) is in writing, is given by telephone and confirmed in writing not later than close of business on the day on which such

direction is given, or is given by the internet banking service provided by the relevant Account Bank and (ii) complies with the GIC Account Mandate as appropriate (such direction shall constitute an irrevocable payment instruction) and (b) in the case of the Swap Payments Accounts and the Swap Collateral Accounts, in accordance with the terms set out in the Cash Management Agreement.

2.2 Timing of Payment

The relevant Account Bank agrees that, (a) in the case of the LLP Accounts, other than the Swap Payments Accounts and the Swap Collateral Accounts, if directed pursuant to **Clause 2.1** to make any payment then, subject to **Clauses 2.4** and **5.3**, it will effect the payment specified in such direction not later than the day specified for payment therein and for value on the day specified therein provided that, if any direction specifying that payment be made on the same day as the direction is given is received later than 12:00 p.m. (London time) on any London Business Day, the Account Banks shall make such payment at the commencement of business on the following London Business Day for value that day and (b) in the case of the Swap Payments Accounts and the Swap Collateral Accounts it will make any payments in accordance with the terms set out in the Cash Management Agreement.

2.3 Account Bank Charges

The charges of the Account Banks for the operation of the each of the LLP Accounts (other than the Swap Payments Accounts and the Swap Collateral Accounts) held with the relevant Account Bank shall be debited to the GIC Account only on the first of each month in accordance with the order of priority set out in the LLP Deed and the Deed of Charge, and the LLP by its execution hereof irrevocably agrees that this shall be done. The charges shall be payable at the same rates as are generally applicable to the business customers of the Account Banks provided that, subject to **Clause 7.5**, if there are insufficient funds standing to the credit of the GIC Account to pay such charges, the Account Banks shall not be relieved of their obligations in respect of any of the LLP Accounts held with them. There will be no charges for the operation of each of the Swap Payments Accounts and the Swap Collateral Accounts held with the relevant Account Bank.

2.4 No Negative Balance

Notwithstanding the provisions of **Clause 2.1**, amounts shall only be withdrawn from any LLP Account held with the Account Banks to the extent that such withdrawal does not cause the relevant LLP Account to have a negative balance.

3. MANDATES

3.1 Signing and Delivery of Mandates

In the case of the LLP Accounts, other than the Swap Payments Accounts and the Swap Collateral Accounts, the LLP has delivered to the relevant Account Bank prior to the First Issue Date the duly executed GIC Account Mandate, and the relevant Account Bank hereby confirms to the Security Trustee that the GIC Account Mandate has been provided to it, that the GIC Account is open and that the respective Mandate is operative. The relevant Account Bank acknowledges that the Mandate and any other mandates delivered from time to time pursuant to the terms hereof shall be subject to the terms of the Deed of Charge and this Agreement. In the case of the Swap Payments Accounts and the Swap Collateral Accounts, there will be no Mandate and the relevant Account Bank will act in accordance with the instructions of the Cash Manager under the Cash Management Agreement.

3.2 Amendment or Revocation

The relevant Account Bank agrees that it shall notify the Security Trustee as soon as is reasonably practicable and in accordance with **Clause 11** if it receives any amendment to or revocation of any Mandate relating to the LLP Accounts, other than the Swap Payments Accounts and the Swap Collateral Accounts, held with that Account Bank (other than a change of Authorised Signatory) and shall require the prior written consent of the Security Trustee to any such amendment or revocation (other than a change of Authorised Signatory) but, unless such Mandate is revoked, the relevant Account Bank may continue to comply with such Mandate (as it may from time to time be amended in accordance with the provisions of this **Clause 3.2**) unless it receives notice in writing from the Security Trustee to the effect that an LLP Acceleration Notice has been served on the LLP or that the appointment of Santander UK plc as Cash Manager under the Cash Management Agreement has been terminated and shall, thereafter, act solely on the instructions of the Security Trustee and in accordance with the terms of those instructions as provided in **Clause 5.3** of this Agreement.

4. ACKNOWLEDGEMENT BY THE ACCOUNT BANKS

4.1 Restriction on Account Banks' Rights

Notwithstanding anything to the contrary in the Mandate, each Account Bank hereby:

- (a) waives any right it has or may hereafter acquire to combine, consolidate or merge any of the LLP Accounts held with it with any other account of the Cash Manager, the LLP, the Issuer, the Security Trustee or any other person or any liabilities of the Cash Manager, the LLP, the Issuer, the Seller, the Security Trustee or any other person to it;
- (b) agrees that it may not exercise any lien or, to the extent permitted by law, any set-off or transfer any sum standing to the credit of or to be credited to any of the LLP Accounts held with it in or towards satisfaction of any liabilities to it of the Cash Manager, the LLP, the Issuer, the Security Trustee or any other person owing to it;
- (c) in addition to and without prejudice to its rights and obligations as a Secured Creditor, agrees that it will not take, and shall not take, any steps whatsoever to recover any amount due or owing to it pursuant to this Agreement or any other debts whatsoever owing to it by the LLP, or procure the winding-up or liquidation of the LLP or the making of an administration order in relation to the LLP in respect of any of the liabilities of the LLP whatsoever other than to the extent permitted under the Deed of Charge;
- (d) agrees that it shall have recourse only to sums paid to or received by (or on behalf of) the LLP pursuant to the Transaction Documents;
- (e) agrees that it will notify the Cash Manager, the LLP and the Security Trustee if compliance with any instruction would cause the relevant LLP Account(s) held with it to which such instruction relates to have a negative balance, such notification to be given on the same London Business Day that it determines that compliance with such instruction would cause any such account to have a negative balance; and
- (f) acknowledges that the LLP has, pursuant to the Deed of Charge, *inter alia*, assigned by way of security all its rights, title, interest and benefit, present and future, in and to, all sums from time to time standing to the credit of the LLP Accounts held with it and all of its rights under this Agreement to the Security Trustee.

4.2 Notice of Assignment and Acknowledgement

Each Account Bank agrees that promptly upon receipt of a notice of assignment signed by the LLP, in (or substantially in) the form of notice set out in **Part 1 of Schedule 2** hereto, it shall sign and duly return to the LLP, with a copy to the Security Trustee, an acknowledgement in (or substantially in) the form of acknowledgement set out in **Part 2 of Schedule 2** hereto.

4.3 Account Statement

Unless and until directed otherwise by the Security Trustee in accordance with **Clause 11**, the Account Banks shall provide each of the Cash Manager, the LLP and the Security Trustee with a written statement in respect of each LLP Account held with it as soon as reasonably practicable after receipt of a request for a statement. The Account Banks are hereby authorised by the LLP to provide statements in respect of each LLP Account held with it to the Cash Manager and the Security Trustee.

5. CERTIFICATION, INDEMNITY AND LLP ACCELERATION NOTICE

5.1 Account Banks to Comply with Cash Manager's Instructions

Unless otherwise directed in writing by the Security Trustee pursuant to **Clause 5.3** below, in making any transfer or payment from any LLP Account held with the Account Banks in accordance with this Agreement, the Account Banks shall be entitled to act as directed by the Cash Manager pursuant to **Clauses 2.1 and 2.2** above and to rely as to the amount of any such transfer or payment on the Cash Manager's instructions in accordance with (a) in the case of the LLP Accounts, other than the Swap Payments Accounts and the Swap Collateral Accounts, the relevant Mandate and (b) in the case of the Swap Payments Accounts and the Swap Collateral Accounts, the terms set out in the Cash Management Agreement, and the Account Banks shall have no liability to the Cash Manager, the LLP, the Seller or the Security Trustee for having acted on such instructions except in the case of their respective wilful default, fraud or negligence.

5.2 LLP's Indemnity

Subject to the Priorities of Payments and the Deed of Charge, the LLP shall indemnify the relevant Account Bank or, pursuant to **Clause 5.3**, the Security Trustee, as the case may be, to the extent of available funds then standing to the credit of the LLP Accounts held with that Account Bank against any loss, cost, damage, charge or expense properly incurred by that Account Bank or the Security Trustee, as the case may be, in complying with any instruction delivered pursuant to and in accordance with this Agreement, save that this indemnity shall not extend to:

- (a) the charges of that Account Bank (if any) for the operation of the LLP Accounts held with that Account Bank other than as provided in this Agreement; and
- (b) any loss, cost, damage, charge or expense arising from any breach by that Account Bank of its obligations under this Agreement.

5.3 Consequences of an LLP Acceleration Notice

Each Account Bank acknowledges that, if it receives notice in writing from the Security Trustee to the effect that (a) the Security Trustee has served an LLP Acceleration Notice on the LLP or (b) that the appointment of Abbey as Cash Manager under the Cash Management Agreement has been terminated (but without prejudice to **Clause 5.1** above) all right, authority and power of the Cash Manager in respect of the each of the LLP Accounts held with it shall be terminated and be of no further effect and each Account Bank agrees that it shall, upon receipt of such notice from the

Security Trustee, comply with the directions of the Security Trustee or any successor cash manager appointed by the Security Trustee (subject to such successor cash manager having entered into an agreement with it on substantially the same terms as this Agreement) in relation to the operation of each of the LLP Accounts held with it.

6. CHANGE OF SECURITY TRUSTEE OR ACCOUNT BANKS

6.1 Change of Security Trustee

- (a) If there is any change in the identity of the Security Trustee in accordance with the Deed of Charge, the Account Banks, the Cash Manager and the LLP shall execute such documents and take such action as the successor Security Trustee and the outgoing Security Trustee may reasonably require for the purpose of vesting in the successor Security Trustee the rights and powers of the outgoing Security Trustee under this Agreement.
- (b) It is hereby acknowledged and agreed that by its execution of this Agreement, the Security Trustee shall not assume or have any obligations or liabilities to the Account Banks, the Cash Manager or the LLP under this Agreement notwithstanding any provision herein and that the Security Trustee has agreed to become a party to this Agreement for the purpose only of taking the benefit of this Agreement and agreeing to amendments to this Agreement pursuant to **Clause 19**. For the avoidance of doubt, the parties to this Agreement acknowledge that the rights and powers of the Security Trustee are governed by the Deed of Charge. Any liberty or right which may be exercised or determination which may be made under this Agreement by the Security Trustee may be exercised or made in the Security Trustee's absolute discretion without any obligation to give reasons therefor and the Security Trustee shall not be responsible for any liability occasioned by so acting but subject always to the provisions of **Clause 11.1** (Liability) of the Deed of Charge.

6.2 Change of an Account Bank

If there is any change in the identity of an Account Bank, the Cash Manager, the LLP, the Security Trustee and the remaining Account Banks shall execute such documents and take such actions as each new Account Bank and the outgoing Account Bank and the Security Trustee may require for the purpose of vesting in each new Account Bank the rights and obligations of the outgoing Account Bank and releasing the outgoing Account Bank from its future obligations under this Agreement.

7. TERMINATION

7.1 Termination Events

The Cash Manager or the LLP:

- (a) may (with the prior written consent of the Security Trustee) terminate this Agreement with respect to an Account Bank in the event that the matters specified in **paragraph (i) or (vi)** below occur; and
- (b) shall (with the prior written consent of the Security Trustee) terminate this Agreement with respect to an Account Bank in the event that any of the matters specified in **paragraphs (ii) to (v)** (inclusive) below occur,

in each case by serving a written notice of termination on the relevant Account Bank (such termination to be effective three London Business Days following service of such notice) in any of the following circumstances:

- (i) if a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on any LLP Account held with the relevant Account Bank; or
- (ii) if the short-term, unsecured, unsubordinated and unguaranteed debt obligation rating of the relevant Account Bank falls below P-1 by Moody's, A-1 by S&P or F1 by Fitch or the long-term, unsecured, unsubordinated and unguaranteed debt obligation rating of the relevant Account Bank falls below A by Fitch (or such other lower ratings as are required to maintain the then current ratings of the Covered Bonds) and the relevant Account Bank does not, within 30 calendar days of such occurrence, (A) close the LLP Accounts held with them and open replacement accounts with a financial institution (x) having a short-term, unsecured, unsubordinated and unguaranteed debt obligation rating of at least P-1 by Moody's, A-1 by S&P and F1 by Fitch and a long-term, unsecured, unsubordinated and unguaranteed debt obligation rating of at least A by Fitch (or such other lower ratings as are required to maintain the then current ratings of the Covered Bonds) and (y) which is an authorised institution under the FSMA or (B) obtain a guarantee of its obligations under this Agreement from a financial institution having a short-term, unsecured, unsubordinated and unguaranteed debt obligation rating of at least P-1 by Moody's, A-1 by S&P and F1 by Fitch and a long-term, unsecured, unsubordinated and unguaranteed debt obligation rating of at least A by Fitch (or such other lower ratings as are required to maintain the then current ratings of the Covered Bonds) (provided that in the case of each of (A) and (B) above, the Rating Agencies then rating the Covered Bonds confirm that the Covered Bonds would not be adversely affected thereby); or
- (iii) if the relevant Account Bank, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in **paragraph (iv)** below, ceases or, through an authorised action of the board of directors of the relevant Account Bank, threaten to cease to carry on all or substantially all of its business or the relevant Account Bank is deemed unable to pay its debts as and when they fall due within the meaning of Section 123(1)(a) of the Insolvency Act 1986 (on the basis that the reference in such Section to £750 was read as a reference to £10 million), Section 123(1)(b), (d) and (e), 123(1)(c) of the Insolvency Act 1986 (on the basis that the words "for a sum exceeding £10 million" were inserted after the words "extract registered bond" and "extract registered protest") and 123(2) of the Insolvency Act 1986 (as that Section may be amended) or ceases to be an authorised institution under the FSMA; or
- (iv) if an order is made or effective resolutions are passed for the winding-up of the relevant Account Bank except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction the terms of which have previously been approved in writing by the LLP and the Security Trustee (such approval not to be unreasonably withheld or delayed); or
- (v) if proceedings are initiated against the relevant Account Bank under any applicable liquidation, insolvency, bankruptcy, sequestration, composition, reorganisation (other than a reorganisation where the relevant Account Bank is solvent) or other similar laws (including, but not limited to, presentation of a petition for an administration order) and (except in the case of presentation of petition for an administration order) such proceedings are not, in the reasonable opinion of the LLP and/or the Security Trustee, being disputed in good faith with a reasonable prospect of success or an administration order is granted or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official is appointed in relation to the relevant Account Bank or in relation to the whole or any substantial part of the undertaking or assets of the relevant Account Bank, or an encumbrancer takes possession of the whole or any substantial part of the undertaking or

assets of the Account Banks, or a distress, execution or diligence or other process is levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the relevant Account Bank and such possession or process (as the case may be) is not discharged or otherwise ceases to apply within 30 days of its commencement, or the relevant Account Bank initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; or

- (vi) if the relevant Account Bank breaches its obligations under this Agreement, the Guaranteed Investment Contract, the Deed of Charge or any other Transaction Document to which the Account Bank is a party provided that termination of this Agreement following such breach would not adversely affect the then ratings of the Covered Bonds.

7.2 Notification of Termination Event

Each of the LLP, the Cash Manager and the Account Banks undertake and agree to notify the Security Trustee in accordance with **Clause 11** promptly upon becoming aware thereof of any event that would or could entitle the Security Trustee to serve a notice of termination pursuant to **Clause 7.3**.

7.3 Termination by Security Trustee

In addition, prior to the service of an LLP Acceleration Notice on the LLP, the Security Trustee may terminate this Agreement and close any of the LLP Accounts held with an Account Bank by serving a notice of termination on the relevant Account Bank (such termination to be effective three London Business Days following service of such notice) if any of the events specified in **Clause 7.1(i) to (vi)** (inclusive) of this Agreement occurs in relation to that Account Bank. Following the service of an LLP Acceleration Notice on the LLP, the Security Trustee may serve a notice of termination at any time.

7.4 Automatic Termination

This Agreement shall automatically terminate (if not terminated earlier pursuant to this **Clause 7**) on the date falling 90 days after the termination of the LLP Deed.

7.5 Termination by Account Banks

Each Account Bank may terminate this Agreement and cease to operate the LLP Accounts held with it at any time:

- (a) on giving not less than six months' prior written notice thereof ending on any London Business Day which does not fall on an LLP Payment Date or less than 10 London Business Days before an LLP Payment Date to each of the other parties hereto without assigning any reason therefor; or
- (b) on giving not less than three months' prior written notice thereof ending on any London Business Day which does not fall on an LLP Payment Date or less than 10 London Business Days before an LLP Payment Date to each of the other parties hereto if the relevant Account Bank shall have demanded payment of its due charges or any interest and the same shall have remained unpaid for a period of one month, provided that if the relevant amounts have

been paid on or before the date six weeks after the date of delivery of such notice then the notice shall have no effect,

provided that such termination shall not take effect:

- (i) until a replacement financial institution or institutions (in each case, (x) with a short-term, unsecured, unsubordinated and unguaranteed debt obligation rating of P-1 by Moody's, A-1 by S&P and F1 by Fitch and a long-term, unsecured, unsubordinated and unguaranteed debt obligation rating of at least A by Fitch (or such other lower ratings as are required to maintain the then current ratings of the Covered Bonds) and (y) being an authorised institution under the FSMA) shall have entered into an agreement in form and substance similar to this Agreement; or
- (ii) if the then current ratings of the Covered Bonds would be adversely affected thereby.

In either case the Account Banks shall not be responsible for any costs or expenses occasioned by such termination and cessation. In the event of such termination and cessation the Account Banks shall assist the other parties hereto to effect an orderly transition of the banking arrangements documented hereby.

8. FURTHER ASSURANCE

The parties hereto agree that they will co-operate fully to do all such further acts and things and execute any further documents as may be necessary or reasonably desirable to give full effect to the arrangements contemplated by this Agreement.

9. CONFIDENTIALITY

None of the parties hereto shall during the term of this Agreement or after its termination disclose to any person whatsoever (except as provided herein or in any of the Transaction Documents to which it is a party or with the authority of the other parties hereto or so far as may be necessary for the proper performance of its obligations hereunder or unless required by law or any applicable stock exchange requirement or any governmental or regulatory authority or ordered to do so by a court of competent jurisdiction or by HM Revenue & Customs or the Bank of England or the FSA) any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may in the course of its duties hereunder have become possessed and each of the parties hereto shall use all reasonable endeavours to prevent any such disclosure.

10. COSTS

The LLP agrees to pay the reasonable costs and any amounts in respect of Irrecoverable VAT thereon (including reasonable legal costs and expenses) of the Account Banks in connection with the negotiation of this Agreement and the establishment of the LLP Accounts held with the Account Banks respectively and the negotiation and execution of any further documents and the taking of any further action to be executed or taken pursuant to **Clauses 6, 7** (other than **Clauses 7.1(ii), 7.1(iii), 7.1(iv), 7.1(v), 7.1(iv), 7.4 and 7.5(a)**) and **8**.

11. NOTICES

Any notices to be given pursuant to this Agreement to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, by hand or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched, (where delivered by hand) on the day of delivery if delivered before 5.00 p.m. on a London Business Day or on the next London Business

Day if delivered thereafter or on a day which is not a London Business Day or (in the case of first class post) when it would be received in the ordinary course of the post and shall be sent:

- (a) in the case of the Cash Manager, the GIC Provider, the Seller and the Account Banks to Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (facsimile number (44) 20 7756 5627) for the attention of the Company Secretary with a copy to Santander UK plc, Santander House, (AAM 129), 201 Grafton Gate East, Milton Keynes MK9 1AN (facsimile number (44) 1908 343019) for the attention of the Securitisation Team, Retail Credit Risk;
- (b) in the case of the LLP, to Abbey Covered Bonds LLP, c/o Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (facsimile number (44) 20 7756 5627) for the attention of the Company Secretary with a copy to Abbey Covered Bonds LLP, c/o Santander UK plc, Santander House, (AAM 129), 201 Grafton Gate East, Milton Keynes MK9 1AN (facsimile number (44) 1908 343019) for the attention of the Securitisation Team, Retail Credit Risk; and
- (c) in the case of the Security Trustee, to Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB (facsimile number (44) 20 7547 5919) for the attention of the Managing Director,

or to such other address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice in accordance with the provisions of this **Clause 11**.

12. INTEREST

- 12.1 Interest shall be paid on the GIC Account in accordance with the terms of the Guaranteed Investment Contract.
- 12.2 Interest (if any) shall be paid on the Swap Payments Accounts and the Swap Collateral Accounts in accordance with the terms of the relevant Swap Agreement.
- 12.3 Any other accounts opened by the LLP with the Account Banks or any other bank shall be interest bearing accounts.

13. WITHHOLDING

All payments by the Account Banks under this Agreement shall be made in full without any deduction or withholding (whether in respect of set-off, counterclaim, duties, Taxes, charges or otherwise whatsoever) unless the deduction or withholding is required by law, in which event each Account Bank shall:

- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;
- (b) pay to the relevant taxation or other authorities within the period for payment permitted by applicable law the full amount of the deduction or withholding;
- (c) furnish to the LLP or the Security Trustee (as the case may be) within the period for payment permitted by the relevant law, either:
 - (i) an official receipt of the relevant taxation authorities involved in respect of all amounts so deducted or withheld; or

- (ii) if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and
- (d) account to the LLP in full by credit to the GIC Account (as the case may be) for an amount equal to the amount of any rebate, repayment or reimbursement of any deduction or withholding which the relevant Account Bank has made pursuant to this **Clause 13** and which is subsequently received by the relevant Account Bank.

14. TAX STATUS

- 14.1 Each Account Bank hereby represents and warrants that it is a bank for the purposes of Section 991 of the Income Tax Act 2007, is entering into this Agreement in the ordinary course of its business, will pay interest pursuant hereto in the ordinary course of such business, will bring into account payments (other than deposits) made under this Agreement in computing its income for United Kingdom Tax purposes and undertakes that it will not cease to be so or to do so otherwise than as a result of the introduction of, change in, or change in the interpretation, administration or application of, any law or regulation or any practice or concession of HM Revenue & Customs occurring after the date of this Agreement.
- 14.2 Each Account Bank will procure that any of its successors or assigns will provide the same representation as to its tax status as is provided by it in **Clause 14.1** above.

15. ENTIRE AGREEMENT

This Agreement, the schedules hereto, the Cash Management Agreement, the Guaranteed Investment Contract and the Deed of Charge together constitute the entire agreement and understanding between the parties in relation to the subject matter hereof and cancel and replace any other agreement or understanding in relation thereto.

16. SEVERABILITY

If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect:

- (a) the validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

17. VARIATION AND WAIVER

No variation, waiver or novation of this Agreement or any provision(s) of this Agreement shall be effective unless it is in writing and executed by (or by some person duly authorised by) each of the parties hereto. No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

18. ASSIGNMENT

Subject as provided in or contemplated by **Clauses 4.1(f), 6.2 and 7.5**:

- (a) the Account Banks may not assign or transfer any of their rights or obligations hereunder without the prior written consent of the LLP and the Security Trustee;

- (b) the LLP may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Account Banks and the Security Trustee; and
- (c) the Account Banks may not act through any other branch other than the branch specified on page 1 of this Agreement without the prior written consent of the LLP and the Security Trustee (such consent not to be unreasonably withheld).

19. AMENDMENTS

Subject to **Clause 22.7** (Modification to Transaction Documents) of the Deed of Charge, any amendment, modification or variation to this Agreement will be made only with the prior written consent of each party to this Agreement; provided, however, that any Rating Agency rating referenced in this Agreement may only be amended, modified or varied with the prior written consent of the relevant Rating Agency and each party to this Agreement.

20. EXCLUSION OF THIRD PARTY RIGHTS

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.

21. COUNTERPARTS

This Agreement may be signed (manually or by facsimile) and delivered in one or more counterparts, all of which, taken together, shall constitute one and the same document.

22. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or relating to it shall be governed by, and construed in accordance with, the laws of England.

23. SUBMISSION TO JURISDICTION

Each party to this Agreement hereby irrevocably submits to the non-exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Agreement (including a dispute relating to any non-contractual obligations arising out of or relating to this Agreement) 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 Agreement 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.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first before written.

SCHEDULE 1

FORM OF MANDATE

BANK MANDATE - GIC ACCOUNT

Resolution of the Board of Directors of Abbey National plc (the **Company**) acting in its capacity as a designated member of Abbey Covered Bonds LLP (the **LLP**).

At a meeting of a covered bond sub-committee of the Board of Directors of the Company held at Abbey National House, 2 Triton Square, Regent's Place, London NW1 3AN on [●], 2005;

IT WAS RESOLVED THAT:

1. The account number 90022082 sort code 09-02-40 in the name of the LLP held with the Company (the **Account Bank**) (the **GIC Account**) will be used as an account for the benefit of the LLP.
2. The mandate given to the Account Bank by virtue of this document (the **Mandate**) is given on the basis that the Account Bank complies with the procedure set out in, and the terms of, this document.
3. Prior to receipt of a notice in writing from the Security Trustee to the contrary, in relation to the GIC Account, the Account Bank is hereby authorised to honour and comply with all cheques, drafts, bills, payments by way of the Clearing House Automated Payment System, promissory notes, acceptances, negotiable instruments and orders expressed to be drawn, accepted, made or given and all directions given in writing or by way of electronic impulses in respect of the GIC Account to the extent that compliance with the same should not result in a debit balance; provided that (and subject to **paragraph 7**) any such cheques, drafts, bills, promissory notes, acceptances, negotiable instruments, directions, orders, instructions and/or endorsements are signed by two people from **Schedule 1**. The Account Bank is hereby authorised to act on any information given by two Directors or by one Director and the Secretary of the Company or any two members of the LLP Management Board regarding any changes to **Schedule 1**.
4. This Mandate is given on the basis that the Account Bank:
 - (a) acknowledges that, pursuant to a Deed of Charge to be entered into between *inter alios*, the LLP and Deutsche Trustee Company Limited (in its capacities as the **Security Trustee** and the **Bond Trustee**) on or about 3 June, 2005 (the **Deed of Charge**), the LLP has assigned its interest in the GIC Account to the Security Trustee by way of security;
 - (b) prior to receipt of an LLP Acceleration Notice from the Bond Trustee, agrees to comply with the directions of the LLP (or, pursuant to **paragraph 8**, of Abbey National plc (the **Cash Manager**) as its agent) in respect of the operation of the GIC Account and the Account Bank shall be entitled to rely on any such written direction reasonably purporting to have been given by or on behalf of LLP or the Cash Manager without enquiry; and
 - (c) upon receipt of an LLP Acceleration Notice from the Bond Trustee:
 - (i) agrees to comply with the directions of the Security Trustee expressed to be given by the Security Trustee pursuant to the Deed of Charge in respect of the operation of the GIC Account and the Account Bank shall be entitled to rely on any such written direction reasonably purporting to have been given on behalf of the Security Trustee without enquiry; and

- (ii) agrees that all right, authority and power of the LLP in respect of the operation of the GIC Account shall be deemed terminated and of no further effect and the Account Bank agrees that it shall, upon receipt of the LLP Acceleration Notice from the Bond Trustee comply with the directions of the Security Trustee or any receiver appointed under the Deed of Charge in relation to the operation of the GIC Account unless otherwise required by operation of law or by the order or direction of a competent court or tribunal.

- 5. Unless and until the Account Bank receives notice in writing from or purporting to be from the Security Trustee to the contrary, the Account Bank is authorised to continue to operate the GIC Account without regard to the security interests pursuant to the Deed of Charge.
- 6. At any time prior to the release by the Security Trustee of the Deed of Charge, the mandate given to the Account Bank by virtue of these resolutions shall remain in force, unless and until the Account Bank has received a notice of amendment hereto from the LLP.
- 7. These resolutions shall be communicated to the Account Bank and remain in force until an amendment resolution shall be passed by the board of directors of the Company and a copy thereof, certified by any two of the Directors and/or the Secretary, shall be received by the Account Bank.
- 8. The Company as designated member of the LLP authorises the Cash Manager to instruct the Account Bank in relation to the GIC Account and authorises the Account Bank to act on those instructions in the manner set forth in the bank account agreement entered into on the Programme Date between the LLP, the Account Bank, the Cash Manager and the Security Trustee.

Schedule 1

To the Bank Mandate - GIC Account

The following sets out the signatories for the GIC Account, in accordance with **Paragraph 3** of the Bank Mandate –GIC Account.

Abbey National plc personnel authorised to sign any cheques, drafts bills, promissory notes, acceptances, negotiable instruments, directions, orders or instructions, and/or endorsements in respect of accounts in the name of Abbey Covered Bonds LLP held at Abbey National plc.

Name	Title	Specimen Signature
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SCHEDULE 2

FORM OF NOTICES

PART 1

NOTICE OF CHARGE - LLP ACCOUNTS

To: Abbey National plc
Abbey National House
2 Triton Square
Regent's Place
London NW1 3AN
(as an Account Bank)

For the attention of: The Company Secretary

To: Abbey National Treasury Services plc
Abbey National House
2 Triton Square
Regent's Place
London NW1 3AN
(as an Account Bank)

For the attention of: The Company Secretary

and to: Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB

For the attention of: The Managing Director

[●], 2005

Dear Sirs,

Re: Abbey Covered Bonds LLP:

- **GIC Account Number 90022082 (sort code 09-02-40)**
- **Swap Payments Account**
157964 CV
157966 CV
157967 CV
157970 CV
- **Swap Collateral Accounts**
ANTSSCB48GBP
ANTSSCB49EUR
ANTSSCB50USD

We hereby give you notice that, by a deed of charge dated of even date herewith and made between, *inter alios*, ourselves, Abbey National plc and Deutsche Trustee Company Limited (the **Security Trustee**), a copy of which is enclosed (the **Deed of Charge**), we:

- (a) charged by way of first fixed charge all of our right, title, benefit and interest present and future in, to and under the LLP Accounts held with the Account Banks and all sums of money standing to the credit thereof and all interest accruing thereon from time to time; and
- (b) assigned all of our right, title, benefit and interest present and future in, to and under the bank account agreement of even date herewith between ourselves, yourselves, the Security Trustee and Abbey National plc in its capacity as Seller and Cash Manager.

Accordingly, amounts may and shall be withdrawn from time to time from the LLP Accounts held with the Account Banks in accordance with the provisions of the Deed of Charge or the other Transaction Documents only until such time as you receive notice in writing from the Security Trustee in which case you shall thereafter comply with all directions of the Security Trustee.

Please note that the foregoing authorisations and instructions may not be revoked or varied by ourselves without the prior written consent of the Security Trustee.

Please acknowledge receipt of this notice and your acceptance of the instructions herein contained by signing two copies of the attached form of acknowledgement, returning one copy to ourselves and sending the other copy direct to the Security Trustee at Winchester House, 1 Great Winchester Street, London EC2N 2DB for the attention of the Managing Director.

This notice of charge and assignment is governed by, and construed in accordance with, the laws of England. Words defined in the Master Definitions and Construction Agreement referred to in **Clause 1** of the Deed of Charge shall have the same meaning in this notice.

Yours faithfully,

.....
for and on behalf of
ABBEY COVERED BONDS LLP

PART 2

ACKNOWLEDGEMENT - LLP ACCOUNTS

To: Abbey Covered Bonds LLP
Abbey National House
2 Triton Square
Regent's Place
London NW1 3AN

For the attention of: the Company Secretary

and to: Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB

For the attention of: the Managing Director

[●] 2005

Dear Sirs,

Re: Abbey Covered Bonds LLP:

- **GIC Account Number 90022082 (sort code 09-02-40)**
- **Swap Payments Account**
157964 CV
157966 CV
157967 CV
157970 CV
- **Swap Collateral Accounts**
ANTSSCB48GBP
ANTSSCB49EUR
ANTSSCB50USD

We acknowledge receipt of your letter dated [●] 2005, a copy of which is attached. Words and expressions defined in that letter have the same meanings herein.

In consideration of your agreeing to maintain the relevant LLP Accounts held with us, we now agree and confirm to the Security Trustee that we accept and will comply with the authorisations and instructions contained in that letter and will not accept or act upon any instructions contrary thereto unless the same shall be in writing signed by the Security Trustee.

This acknowledgement is governed by, and construed in accordance with, the laws of England.

Yours faithfully,

.....
for and on behalf of
ABBHEY NATIONAL plc

.....
for and on behalf of
ABBHEY NATIONAL TREASURY SERVICES plc

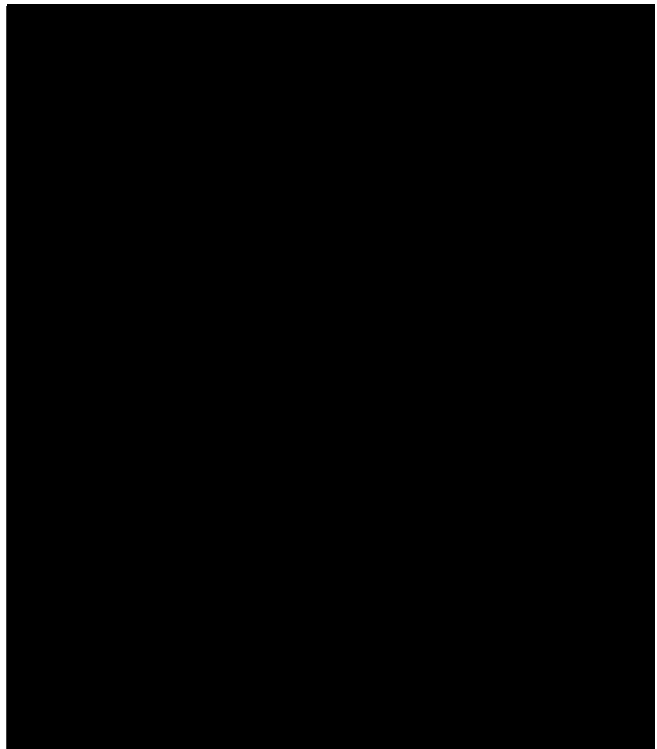
SIGNATORIES

SIGNED by)
ABBEY COVERED BONDS LLP)
as LLP)
acting by its attorney [REDACTED])

SIGNED by)
SANTANDER UK PLC)
as Cash Manager, GIC Provider, an Account)
Bank and Seller)
acting by its attorney [REDACTED])

ABBEY NATIONAL TREASURY
SERVICES plc
as an Account Bank
acting by its attorney [REDACTED]

SIGNED by)
duly authorised)
for and on behalf of)
DEUTSCHE TRUSTEE COMPANY)
LIMITED)
as Security Trustee)



SIGNATORIES

SIGNED by
ABBEY COVERED BONDS LLP
as LLP
acting by its attorney

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)
)

SIGNED by
SANTANDER UK PLC
as Cash Manager, GIC Provider, an Account
Bank and Seller
acting by its attorney

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)
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**ABBEY NATIONAL TREASURY
SERVICES plc**
as an Account Bank
acting by its attorney

SIGNED by
duly authorised
for and on behalf of
**DEUTSCHE TRUSTEE COMPANY
LIMITED**
as Security Trustee

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