IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S. EXCEPT TO (1) QIBS (AS DEFINED BELOW) IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT AND/OR (2) IAIS (AS DEFINED BELOW) IN RELIANCE ON SECTION 4(a)(2) OF THE SECURITIES ACT.

IMPORTANT: You must read the following before continuing. The following applies to the prospectus attached to this electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the prospectus. In accessing the prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access. You acknowledge that you will not forward this electronic form of the prospectus to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE COVERED BONDS AND THE COVERED BOND GUARANTEE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER TERRITORY OR JURISDICTION OF THE UNITED STATES. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), AND THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER BONDS, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE COVERED BONDS ARE BEING OFFERED ONLY (I) IN THE UNITED STATES, TO QUALIFIED INSTITUTIONAL BUYERS ("**QIBS**") IN RELIANCE ON RULE 144A ("**RULE 144A**") OF THE SECURITIES ACT AND/OR TO INSTITUTIONAL "**ACCREDITED INVESTORS**" AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT ("**INSTITUTIONAL ACCREDITED INVESTORS**" OR "**IAIS**") IN RELIANCE ON SECTION 4(a)(2) OF THE SECURITIES ACT AND (II) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS TO PERSONS THAT ARE NOT "**U.S. PERSONS**" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")) IN RELIANCE ON REGULATION S. THE TRANSFER OF THE COVERED BONDS IS SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS, AS DESCRIBED UNDER "*SUBSCRIPTION AND SALE TRANSFER AND SELLING RESTRICTIONS*".

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

YOU ARE REMINDED THAT THE PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THE PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED AND YOU MAY NOT, NOR ARE YOU AUTHORISED TO, DELIVER THE PROSPECTUS TO ANY OTHER PERSON.

THE MATERIALS RELATING TO THE OFFERING DO NOT CONSTITUTE, AND MAY NOT BE USED IN CONNECTION WITH, AN OFFER OR SOLICITATION IN ANY PLACE WHERE OFFERS OR SOLICITATIONS ARE NOT PERMITTED BY LAW. IF A JURISDICTION REQUIRES THAT THE OFFERING BE MADE BY A LICENSED BROKER OR DEALER AND ANY DEALER IN RESPECT OF SUCH OFFERING OR ANY AFFILIATE OF SUCH DEALER IS A LICENSED BROKER OR DEALER IN THAT JURISDICTION, THE OFFERING SHALL BE DEEMED TO BE MADE BY SUCH DEALER OR SUCH AFFILIATE ON BEHALF OF THE ISSUER IN SUCH JURISDICTION.

Confirmation of Your Representation: BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED TO US THAT (A) YOU HAVE UNDERSTOOD AND AGREED TO THE TERMS SET OUT HEREIN, (B) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (C) YOU ARE EITHER (I) NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATION S) OR ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS E-MAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS) OR THE DISTRICT OF COLUMBIA OR (II) (X) A QIB, IN EACH CASE ACTING FOR YOUR OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS OR (Y) AN IAI, IN EACH CASE ACTING FOR YOUR OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE IAIS AND (D) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON WHO (I) HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (II) IS A HIGH NET WORTH ENTITY FALLING WITHIN ARTICLES 49(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of National Westminster Bank Plc or NatWest Markets Plc (nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from NatWest Markets Plc.

The Prospectus is only being distributed to and is only directed at persons (a) who are outside the United Kingdom ("**UK**"); and (b) if such persons are in the United Kingdom, who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") and/or high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order and (c) to whom the Prospectus may be lawfully distributed and directed under applicable laws (all such persons in (a) to (b) above together being referred to as "**relevant persons**"). The Covered Bonds referred to in this Prospectus are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**") or in the United Kingdom. Any investment activity to which this Prospectus may relate is only available to, any invitation, offer, or engagement to engage in such investment activity will be engaged in only with the relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its content.

The Covered Bonds are offered subject to prior sale or withdrawal, cancellation or modification of this offering without notice. The Issuer and the Arranger also reserve the right to reject any offer to purchase the Covered Bonds in whole or in part for any reason and to allot to any prospective purchaser less than the full amount of Covered Bonds sought by such investor. You acknowledge

that you have been afforded an opportunity to request from the Issuer, and have received and reviewed, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in the Prospectus. You also acknowledge that you have not relied on National Westminster Bank Plc, NatWest Markets Plc or any person affiliated with such parties in connection with the investigation of the accuracy of such information or your investment decision. The contents of the Prospectus are not to be construed as legal, business or tax advice. Each prospective purchaser should consult its own attorney, business adviser and tax adviser for legal, business and tax advice relating to an investment in the Covered Bonds. The Prospectus summarises documents and other information in a manner that does not purport to be complete, and these summaries are subject to, and qualified in their entirety by reference to, all of the provisions of such documents.

No representation or warranty is made by National Westminster Bank Plc, the Arranger, the Dealers or any other person as to the legality of an investment in the Covered Bonds under any investment or similar laws or as to the classification or treatment of the Covered Bonds under any risk weighting, securities valuation, regulatory accounting or other financial institution regulatory regimes of the National Association of Insurance Commissioners, any state insurance commissioner, any federal or state banking authority, or any other regulatory body. You should obtain your own legal, accounting, tax and financial advice as to the desirability of an investment in the Covered Bonds, and the consequences of such an investment.

NATIONAL WESTMINSTER BANK PLC
(*incorporated under the laws of England and Wales with limited liability under the Companies Acts 1948 to 1980, with registered number 00929027*)

€25 billion
Global Covered Bond Programme unconditionally and irrevocably guaranteed as to payments of interest and principal by

NatWest Covered Bonds Limited Liability Partnership
(*a limited liability partnership incorporated in England and Wales*)

Under this €25 billion global covered bond programme (the **Programme**), National Westminster Bank Plc (the **Issuer** and **NatWest**) may from time to time issue bonds (the **Covered Bonds**) denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below). The price and amount of the Covered Bonds to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

NatWest Covered Bonds Limited Liability Partnership (the **LLP**) has guaranteed payments of interest and principal under the Covered Bonds pursuant to a guarantee which is secured over the Portfolio (as defined below) and its other assets. Recourse against the LLP under its guarantee is limited to the Portfolio and such assets.

Covered Bonds may be issued in bearer or registered form. The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed €25 billion (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Covered Bonds may be issued on a continuing basis to the Dealer specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each, a **Dealer** and together, the **Dealers**), which appointment may be to a specific issue or on an on-going basis. References in this Prospectus to the **relevant Dealers** shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Covered Bonds.

See *Risk Factors* on page 31 of this Prospectus for a discussion of certain factors to be considered in connection with an investment in the Covered Bonds.

This Prospectus has been approved by the Financial Conduct Authority (the **FCA**) in accordance with the rules in Prospectus Rules: Admission to Trading on a Regulated Market source-book (the **PRM**) made pursuant to its rule-making powers under the Public Offers and Admissions to Trading Regulations 2024 (the **POATRs**). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the rules in the PRM. Such approval should not be considered as an endorsement of the Issuer or the LLP or the quality of the Covered Bonds that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Covered Bonds.

Application has been made to the Financial Conduct Authority (the **FCA**) for Covered Bonds (other than N Covered Bonds) issued under the Programme during the period of twelve (12) months from the date of this Prospectus to be admitted to the official list of the FCA (the **Official List**) and to the

London Stock Exchange plc (the **London Stock Exchange**) for such Covered Bonds to be admitted to trading on the main market of the London Stock Exchange (the **main market of the London Stock Exchange**) which is a UK-regulated market for the purpose of Regulation (EU) No. 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of Regulation (EU) No. 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) as amended, varied, superseded or substituted from time to time (**EUWA**) (**UK MiFIR**). Admission to the Official List together with admission to the main market of the London Stock Exchange constitutes official listing on the London Stock Exchange. References in this Prospectus to Covered Bonds being "listed" (and all related references) shall mean that such Covered Bonds have been admitted to trading on the main market of the London Stock Exchange and have been admitted to the Official List. Notice of the aggregate nominal amount of Covered Bonds, interest (if any) payable in respect of Covered Bonds, the issue price of Covered Bonds and any other terms and conditions not contained herein which are applicable to each Series (as defined under "*Terms and Conditions of the Covered Bonds*") of Covered Bonds will be set out in a separate document containing the final terms for that Series (**Final Terms**) which, with respect to Covered Bonds to be admitted to the Official List and admitted to trading by the London Stock Exchange, will be delivered to the FCA and the London Stock Exchange on or before the date of issue of such Series of Covered Bonds.

This Prospectus (as supplemented at the relevant time, if applicable) will be valid as base prospectus under the PRM and is valid for 12 months from its date in relation to Covered Bonds which are to be admitted to trading on a regulated market in the United Kingdom (the **UK**) and/or offered to the public in the UK. The requirement to publish a prospectus under the PRM only applies to Covered Bonds, which are admitted to trading on a UK regulated market as defined in UK MiFIR and/or offered to the public in the UK. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

The Programme provides that Covered Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or regulated or unregulated markets as may be agreed between the Issuer, the LLP, the Bond Trustee (as defined below) and the relevant Dealer(s). The Issuer may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated or unregulated market. All Covered Bonds will have the benefit of the Covered Bond Guarantee and the Security granted by the LLP in respect of the Charged Property. For the avoidance of doubt, unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated or unregulated market will not be issued pursuant to this Prospectus. On 1 April 2010, The Royal Bank of Scotland plc (**RBS**) as issuer was admitted to the register of issuers and the Programme was admitted to the register of regulated covered bonds, under the Regulated Covered Bonds Regulations 2008 (SI 2008/346) as amended by the Regulated Covered Bonds (Amendment) Regulations 2008 (SI 2008/1714), the Regulated Covered Bonds (Amendment) Regulations 2011 (SI 2011/2859) and the Regulated Covered Bonds (Amendment) Regulations 2012 (SI 2012/2977) and as further amended from time to time (the **RCB Regulations**). National Westminster Bank Plc as the Issuer was admitted to the register of issuers on 26 June 2017. The Covered Bonds and the Covered Bond Guarantee (as defined below) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or registered or qualified under the securities laws of any state or other territory or jurisdiction of the United States. The Issuer has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Covered Bonds, may not be offered, sold or, in the case of Bearer Covered Bonds, delivered within the United States or to or for the account or benefit of any U.S. person (as defined in Regulation S under the Securities Act) unless such securities are registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. The Covered Bonds are being offered only: (i) outside the United States in offshore transactions to persons that are not U.S. persons in reliance upon Regulation S under the Securities Act; and (ii) in the United States, to "qualified

institutional buyers" ("**QIBs**") in reliance upon Rule 144A ("**Rule 144A**") under the Securities Act or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations (see "*Subscription and Sale and Transfer and Selling Restrictions*" below). Terms used in the preceding sentence have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations promulgated thereunder. Interests in a Temporary Global Covered Bond (as defined below) will be exchangeable, in whole or in part, for interests in a Permanent Global Covered Bond (as defined below) on or after forty (40) days after the completion of the distribution of the relevant Tranche of Covered Bonds, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue), upon certification as to non-U.S. beneficial ownership. See "*Form of the Covered Bonds*" for a description of the manner in which Covered Bonds will be issued. Registered Covered Bonds are subject to certain restrictions on transfer, see "*Subscription and Sale and Transfer and Selling Restrictions*".

Each Series of Covered Bonds issued under the Programme will have the rating set out in the applicable Final Terms document. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. The credit rating assigned to a relevant Series of Covered Bonds by a credit rating agency will be disclosed in the Final Terms. The credit ratings included and referred to in this Prospectus have been issued by Fitch Ratings Limited (**Fitch**) and/or Moody's Investors Service Ltd (**Moody's**) each of which is a credit rating agency established in the United Kingdom and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**). Each of Fitch and Moody's are included in the list of credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation. The ratings issued by Fitch and Moody's have been endorsed by Fitch Ratings Ireland Limited and Moody's Deutschland GmbH respectively in accordance with Regulation (EC) 1060/2009 (the **EU CRA Regulation**). Each of Fitch Ratings Ireland Limited and Moody's Deutschland GmbH is established in the European Union and registered under the EU CRA Regulation. Each of Fitch Ratings Ireland Limited and Moody's Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the EU CRA Regulation. In general, European-regulated investors are restricted under the EU CRA Regulation from using a rating for regulatory purposes, unless such rating is issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement or certification, as the case may be, has not been withdrawn or suspended). Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. UK-regulated investors are required to use, for UK regulatory purposes, ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended.

Amounts payable on Floating Rate Covered Bonds may be calculated by reference to one of SONIA, SOFR, EURIBOR, STIBOR or HIBOR as specified in the relevant Final Terms. As at the date of this Prospectus, the administrator of EURIBOR (the European Money Markets Institute) and STIBOR (Swedish Financial Benchmark Facility) appear on the register of benchmark administrators, and the administrators of SONIA (the Bank of England), HIBOR (Hong Kong Monetary Authority) and SOFR (the Federal Reserve Bank of New York) are not included in the register of benchmark administrators, maintained by the FCA in accordance with Article 36 of the Regulation (EU) No. 2016/1011 as it forms part of the domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**). The administrator of SONIA is not included in the FCA's register of

administrators under Article 36 of the UK Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that the administrators of SOFR, HIBOR and STIBOR are not currently required to obtain recognition or endorsement, or to benefit from an equivalence decision. As far as the Issuer is aware, the Bank of England, as administrator of SONIA, is exempt under Article 2 of the UK Benchmarks Regulations.

Arranger and Dealer for the Programme

NatWest

The date of this Prospectus is 27 March 2026

This Prospectus has been approved by the FCA as a base prospectus for the purposes of the PRM. This Prospectus is not a prospectus for the purposes of section 12(a)(2) or any other provision or order under the Securities Act.

The Issuer and the LLP (each a Responsible Person) each accept responsibility for the information contained in this Prospectus (the Prospectus) including the Final Terms relating to each Tranche of Covered Bonds issued under the Programme. To the best of the knowledge of each of the Issuer and the LLP the information contained in this Prospectus is in accordance with the facts and that this Prospectus makes no omission likely to affect its import. Any information sourced from third parties contained in this Prospectus has been accurately reproduced (and is clearly sourced where it appears in the document) and, as far as each of the Issuer and the LLP is aware and is able to ascertain from the information published by that third party, that no facts have been omitted which would render the reproduced information inaccurate or misleading.

Copies of each set of Final Terms (in the case of Covered Bonds to be admitted to the Official List) will be available from the registered office of the Issuer and (in the case of Covered Bonds to be admitted to the Official List, to listing on any other regulated or unregulated market or stock exchange and also all unlisted Covered Bonds) from the specified office set out below of each of the Paying Agents (as defined in "*Terms and Conditions of the Covered Bonds*") and will also be published on the website of the London Stock Exchange through a regulatory information service.

This Prospectus is to be read in conjunction with any supplements hereto, all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below) and any Final Terms. This Prospectus shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*" below), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

The information contained in this Prospectus was obtained from the Issuer and the LLP and other sources (identified herein), but no assurance can be given by the Arranger, the Dealers, the Agents, the Bond Trustee or the Security Trustee as to the accuracy or completeness of this information. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers, the Agents, the Bond Trustee or the Security Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer and the LLP in connection with the Programme. None of the Arranger, the Dealers, the Agents nor the Bond Trustee nor the Security Trustee accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer and the LLP in connection with the Programme.

The information contained in this Prospectus was obtained from the Issuer and other sources, but no assurance can be given by the Arranger, the Dealers, the Bond Trustee, the Security Trustee, any Agent or the Custodian as to the accuracy or completeness of this information. Accordingly, no representation, warranty or undertaking, express or implied, is made and, to the extent permitted by law, no responsibility or liability is accepted by the Arranger, the Dealers, the Bond Trustee, the Security Trustee, any Agent or the Custodian as to (i) the accuracy or completeness of any statement, representation, warranty or covenant of the Issuer

and/or the LLP contained or incorporated in this Prospectus, the Transaction Documents or any other information provided by the Issuer and the LLP in connection with the Programme or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof or (ii) any other statement, made or proposed to be made by any of the Dealers, the Arranger, the Bond Trustee, the Security Trustee, any Agent or the Custodian or on its behalf in connection with the Issuer, the LLP or the issue and/or offering of any Covered Bonds. Neither the Arranger, the Dealers, the Bond Trustee, the Security Trustee, any Agent nor the Custodian accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer and the LLP in connection with the Programme. Accordingly, each of the Arranger, the Dealers, the Bond Trustee, the Security Trustee, each Agent and the Custodian disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement or information.

No person is or has been authorised by the Issuer, the LLP, the Seller, the Arranger, any of the Dealers, the Agents, the Bond Trustee or the Security Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the LLP, the Seller, the Arranger, the Agents, any of the Dealers, the Bond Trustee or the Security Trustee.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the LLP, the Seller, the Arranger, any of the Dealers, any of the Agents, the Bond Trustee or the Security Trustee that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the LLP. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer or invitation by or on behalf of the Issuer, the LLP, the Seller, the Arranger, any of the Dealers, any of the Agents, the Bond Trustee or the Security Trustee to any person to subscribe for or to purchase any Covered Bonds.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Covered Bonds shall in any circumstances imply that the information contained herein concerning the Issuer and/or the LLP and/or the Seller is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers, the Arranger, the Agents, the Bond Trustee and the Security Trustee expressly do not undertake to review the financial condition or affairs of the Issuer, the LLP or the Seller during the life of the Programme or to advise any investor in the Covered Bonds of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Prospectus when deciding whether or not to purchase any Covered Bonds.

The Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any

applicable state or local securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (Regulation S).

The Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations (see "*Subscription and Sale and Transfer and Selling Restrictions*" below). Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the Final Terms in respect of any Covered Bonds include a legend entitled "*Prohibition of sales to EEA retail investors*", the Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); (ii) a customer within the meaning of Directive (EU) 2016/97 (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in regulation (EU) 2017/1129 (the EU Prospectus Regulation). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the EU PRIIPs Regulation) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Final Terms in respect of any Covered Bonds includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Covered Bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (the UK). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the UK PRIIPs Regulation) which applies up to and including 5 April 2026, or disclosure document required by the FCA Product Disclosure Sourcebook (DISC) which will apply from and including 6 April 2026, for offering, selling or distributing the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation or DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024, as applicable.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET – The Final Terms in respect of any Covered Bonds may include a legend entitled "MiFID II Product Governance" which outlines the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the MiFID Product Governance Rules), any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Covered Bonds will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the UK MiFIR Product Governance Rules) is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

As set forth in the applicable Final Terms, the Covered Bonds are being offered and sold: (i) in the United States to QIBs; and/or (ii) outside the United States in offshore transactions to persons that are not U.S. persons as defined in Regulation S under the Securities Act ("Regulation S"). Prospective purchasers are hereby notified that the sellers of the Covered Bonds may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A to non-U.S. persons in offshore transactions. For a description of these and certain further restrictions on offers, sales and transfers of Covered Bonds and distribution of this Prospectus, see "*Subscription and Sale and Transfer and Selling Restrictions*".

NONE OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") NOR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES HAS APPROVED OR DISAPPROVED OF THESE COVERED BONDS OR PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

An investment in the Covered Bonds is not subject to restriction of the regulations adopted under section 13 of the U.S. Bank Holding Company Act of 1956, as amended (the Volcker Rule), as an investment in an ownership interest in a covered fund (see "*Certain Volcker Rule Considerations*").

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. The Issuer, the LLP, the Seller, the Arranger, the Dealers, the Bond Trustee and the Security Trustee do not represent that this Prospectus may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such

jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the LLP, the Seller, the Arranger, the Dealers, the Bond Trustee or the Security Trustee which would permit a public offering of any Covered Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Covered Bonds. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Covered Bonds in the United States, the European Economic Area, the United Kingdom and Japan see "*Subscription and Sale and Transfer and Selling Restrictions*".

All references in this document to "Sterling" and "£" refer to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland, references to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, references to "U.S. dollars", "$" and "U.S.$" refer to the lawful currency for the time being of the United States of America and references to "Yen", "JPY" and "¥" refer to the lawful currency for the time being of Japan.

The Covered Bonds may not be a suitable investment for all investors. Each potential investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- **have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;**

- **have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio;**

- **have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;**

- **understand thoroughly the terms of the Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and**

- **be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

Some Covered Bonds are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Bonds which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of such Covered Bonds

and the impact this investment will have on the potential investor's overall investment portfolio.

In connection with the issue of any Tranche of Covered Bonds, one or more relevant Dealers acting as stabilisation manager (each a Stabilisation Manager) may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilising action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) days after the issue date of the relevant Tranche of Covered Bonds and sixty (60) days after the date of the allotment of the relevant Tranche of Covered Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

The Covered Bonds may not be a suitable investment for all investors and in making an investment decision, investors must rely on their own examination of the Issuer and the LLP and the terms of the Covered Bonds being offered, including the merits and risks involved. The Covered Bonds and the Covered Bond Guarantee have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of the Covered Bonds, approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is unlawful.

None of the Arranger, the Dealers, the Issuer, the LLP, the Seller, the Security Trustee or the Bond Trustee makes any representation to any investor in the Covered Bonds regarding the legality of its investment under any applicable laws. Any investor in the Covered Bonds should be able to bear the economic risk of an investment in the Covered Bonds for an indefinite period of time.

Amounts payable under the Floating Rate Covered Bonds may be calculated by reference to the Euro Interbank Offered Rate (EURIBOR), the Sterling Overnight Index Average (SONIA), the Stockholm Interbank Offered Rate (STIBOR), the Hong Kong Interbank Offered Rate (HIBOR) or the Secured Overnight Financing Rate (SOFR), which are provided by the European Money Markets Institute (EMMI), the Bank of England, the Swedish Financial Benchmark Facility, the Hong Kong Monetary Authority and the Federal Reserve Bank of New York respectively. As at the date of this Prospectus, the administrators of EURIBOR (the European Money Markets Institute) and STIBOR (Swedish Financial Benchmark Facility) appear on the register of benchmark administrators, and the administrators of SONIA (the Bank of England), HIBOR (Hong Kong Monetary Authority) and SOFR (the Federal Reserve Bank of New York) are not included in the register of benchmark administrators, maintained by the FCA in accordance with Article 36 of the Regulation (EU) No. 2016/1011 as it forms part of the domestic law by virtue of the EUWA (the UK Benchmarks Regulation). The administrator of SONIA is not included in the FCA's register of administrators under Article 36 of the UK Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that the administrators of SOFR, HIBOR and STIBOR are not currently required to obtain recognition or endorsement, or to benefit from an equivalence decision. As far as the Issuer is aware, the Bank of England, as administrator of SONIA, is exempt under Article 2 of the UK Benchmarks Regulations.

U.S. INFORMATION

The Covered Bonds and the Covered Bond Guarantee have not been approved or disapproved by the SEC, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence.

The Registered Covered Bonds have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act and any applicable state or local securities laws. Each U.S. purchaser of Registered Covered Bonds is hereby notified that the offer and sale of any Registered Covered Bonds to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act.

Accordingly, this Prospectus is being provided on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Covered Bonds being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

In making an investment decision, investors must rely on their own examination of the Issuer and the LLP and the terms of the Covered Bonds being offered, including the merits and risks involved.

Each purchaser or holder of Covered Bonds represented by a Rule 144A Global Covered Bond (as defined under "*Form of the Covered Bonds*") or any Covered Bonds issued in registered form in exchange or substitution therefor (together "**Legended Covered Bonds**") will be required to make, or will be deemed, by its acceptance or purchase of any such Legended Covered Bonds, to have made certain representations and agreements intended to restrict the resale or other transfer of such Covered Bonds as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "**Form of the Covered Bonds**".

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Covered Bonds that are "restricted securities" within the meaning of the Securities Act, each of the Issuer and the LLP has undertaken in the Trust Deed (as defined under "*Terms and Conditions of the Covered Bonds*") to furnish, upon the request of a holder of such Covered Bonds or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Covered Bonds remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and each of the Issuer and the LLP is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

By requesting copies of any of the documents referred to herein, each potential purchaser agrees to keep confidential the various documents and all written information clearly labelled "**Confidential**" which from time to time have been or will be disclosed to it concerning the LLP or the Issuer or any of their affiliates, and agrees not to disclose any portion of the same to any person.

Notwithstanding anything herein to the contrary, investors (and each employee, representative or other agent of the investors) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the offering and all materials of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure (as such terms are defined in Treasury Regulation Section 1.6011-4). This authorisation of tax disclosure is retroactively effective to the commencement of discussions between the Issuer, the Dealers or their respective representations and a prospective investor regarding the transactions contemplated herein.

FORWARD-LOOKING STATEMENTS

This Prospectus contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of National Westminster Bank Plc and its consolidated subsidiaries' undertakings (collectively, the **NWB Group**) to differ materially from the information presented herein. When used in this Prospectus, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the NWB Group and its management, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Such statements and any other statements other than statements of historical fact constitute "forward-looking statements" within the meaning of section 27A of the Securities Act and section 21E of the Exchange Act. Subject to compliance with its legal and regulatory obligations, including under the PRM, the NWB Group does not undertake any obligation to publicly release the result of any revisions to, update or revise these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

INTERPRETATION

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

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PRINCIPAL CHARACTERISTICS OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Series of Covered Bonds, the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Appendix 1, Annex 3.2 of the PRM.

Words and expressions defined in "*Form of the Covered Bonds*" and "*Terms and Conditions of the Covered Bonds*" shall have the same meanings in this Overview.

Issuer:	National Westminster Bank Plc The Issuer under the Programme was previously The Royal Bank of Scotland plc (**RBS**). Pursuant to a ring fencing transfer scheme under Part VII of the Financial Services and Markets Act 2000 (the **Ring Fencing Transfer Scheme**), certain elements of RBS' business were transferred to National Westminster Bank Plc. Following the approval of the Ring Fencing Transfer Scheme by the Court of Session in Scotland, all accrued rights and obligations of RBS in its various capacities under the Programme, including as Issuer but excluding the roles of Arranger and Dealer, have been transferred to, and vested in or became liabilities of (as applicable), National Westminster Bank Plc. The Ring Fencing Transfer Scheme became effective on 30 April 2018 (the **RFTS Effective Date**). References in this Prospectus to "Issuer" shall be construed accordingly.
Issuer's website:	https://investors.natwestgroup.com/
Guarantor:	NatWest Covered Bonds Limited Liability Partnership (formerly known as RBS Covered Bonds Limited Liability Partnership).
Regulated Covered Bonds:	On 1 April 2010, RBS was admitted to the register of issuers of regulated covered bonds and the Programme was admitted to the register of regulated covered bonds; National Westminster Bank Plc as the Issuer was admitted to the register of issuers on 26 June 2017
Nature of eligible property:	Residential mortgage loans and their Related Security, Substitution Assets up to the prescribed limit and Authorised Investments
Location of eligible residential property underlying Loans:	England, Wales and Scotland
Maximum True Balance to Indexed Valuation ratio given credit under the Asset Coverage Test:	75%

Maximum Asset Percentage:	90%
Asset Coverage Test:	As set out on page 195
Statutory minimum overcollateralisation:	The eligible property in the cover pool must be more than 108% of the Principal Amount Outstanding of the Covered Bonds
Amortisation Test:	As set out on page 199
Extended Maturities:	Available
Hard Bullet Maturities:	Available
Asset Monitor:	Deloitte LLP
Asset Segregation from Issuer:	Yes
Namensschuldverschreibungen option:	Yes
Single/Multi Asset Pool designation:	Single Asset Pool, consisting of residential mortgage loans and liquid assets
Substitution Assets:	Asset-backed securities are not eligible property and cannot form part of the Asset Pool

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been (1) previously published and (2) approved by the Financial Conduct Authority or its predecessor the Financial Services Authority (the **FCA**) or filed with the National Storage Mechanism shall be deemed to be incorporated in, and form part of, this Prospectus:

(a) the annual report and accounts of the Issuer (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon which have been prepared in accordance with the UK-adopted international accounting standards) for the financial year ended 31 December 2025 available at: https://investors.natwestgroup.com/~/media/Files/R/RBS-IR-V2/results-center/13022026/nwb-annual-report.pdf (the **2025 Annual Report and Accounts**);

(b) the annual report and accounts of the Issuer (including the audited consolidated annual financial statements of the Issuer, together with the audit report thereon which have been prepared in accordance with the UK-adopted international accounting standards) for the financial year ended 31 December 2024 available at: https://investors.natwestgroup.com/~/media/Files/R/RBS-IR-V2/results-center/14022025/nwb-annual-report.pdf (the **2024 Annual Report and Accounts**);

(c) the pillar 3 report of the Issuer for the financial year ended 31 December 2025 available at: https://investors.natwestgroup.com/~/media/Files/R/RBS-IR-V2/results-center/13022026/nwb-pillar-3-report.pdf;

(d) the terms and conditions of the Covered Bonds set out on pages 82 to 129 (inclusive) of the Base Prospectus dated 20 June 2023 and prepared by National Westminster Bank Plc and NatWest Covered Bonds Limited Liability Partnership in connection with the Programme;

(e) the annual report and accounts of the LLP together with the audit reports thereon for the financial year ended 31 December 2023 available at: https://investors.natwestgroup.com/~/media/Files/R/RBS-IR-V2/covered-bonds/pdf/transaction-documents/NatWest%20Covered%20Bond%20Accounts%202023.pdf; and

(f) the annual report and accounts of the LLP together with the audit reports thereon for the financial year ended 31 December 2024 available at: https://investors.natwestgroup.com/~/media/Files/R/RBS-IR-V2/covered-bonds/pdf/transaction-documents/NatWest%20Covered%20Bond%20LLP%20Accounts%2031122024.pdf

The documents to be incorporated by reference herein listed in paragraphs (a) to (f) above can be viewed online at https://investors.natwestgroup.com/fixed-income-investors/covered-bonds.

Information automatically incorporated by reference

In addition to the above, any future interim unaudited consolidated financial statements of the Issuer published by the Issuer after the date of the approval of this Prospectus shall be deemed to be incorporated in, and form part of, this Prospectus as and when it is published on: https://investors.natwestgroup.com/fixed-income-investors/covered-bonds and as notified to the public through the Regulatory News Service (RNS) announcement published in connection therewith in accordance with the requirements of the PRM. .

Any statement contained herein or any of the documents incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this

Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement (whether expressly, by implication or otherwise), provided that such modifying or superseding statement is made by way of a supplement to this Prospectus pursuant to paragraph 10 of the PRM. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any other information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus for the purposes of the PRM, except where such information or other information or other documents are specifically incorporated by reference into this Prospectus.

It should be noted that, except as set forth above, no other portion of the above documents is incorporated by reference into this Prospectus. In addition, where sections of any of the above documents which are incorporated by reference into this Prospectus cross-reference other sections of the same document, such cross-referenced information shall not form part of this Prospectus, unless otherwise incorporated by reference herein. Those parts of the documents incorporated by reference which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Covered Bonds or the relevant information is included elsewhere in this Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Written and oral requests for such documents should be directed to the Issuer at the address set out at the end of this Prospectus.

The Issuer and the LLP have each undertaken to the Dealers in the Programme Agreement to comply with paragraph 10 of the PRM. In the event that a supplementary prospectus is produced pursuant to such undertaking, a copy of such supplementary prospectus will accompany this Prospectus.

Copies of the documents incorporated by reference in this Prospectus will be available for viewing (i) at the office of the Issuer at 250 Bishopsgate, London EC2M 4AA; (ii) on the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/news/market-news/market-news-home.html and (iii) on the website of the Issuer at https://investors.natwestgroup.com/fixed-income-investors/covered-bonds. Copies of the Issuer's report and accounts for the years ended 31 December 2025 and 31 December 2024 are available for viewing at the National Storage Mechanism (https://data.fca.org.uk/#/nsm/nationalstoragemechanism). Please note that websites and URLs referred to herein do not form part of this Prospectus.

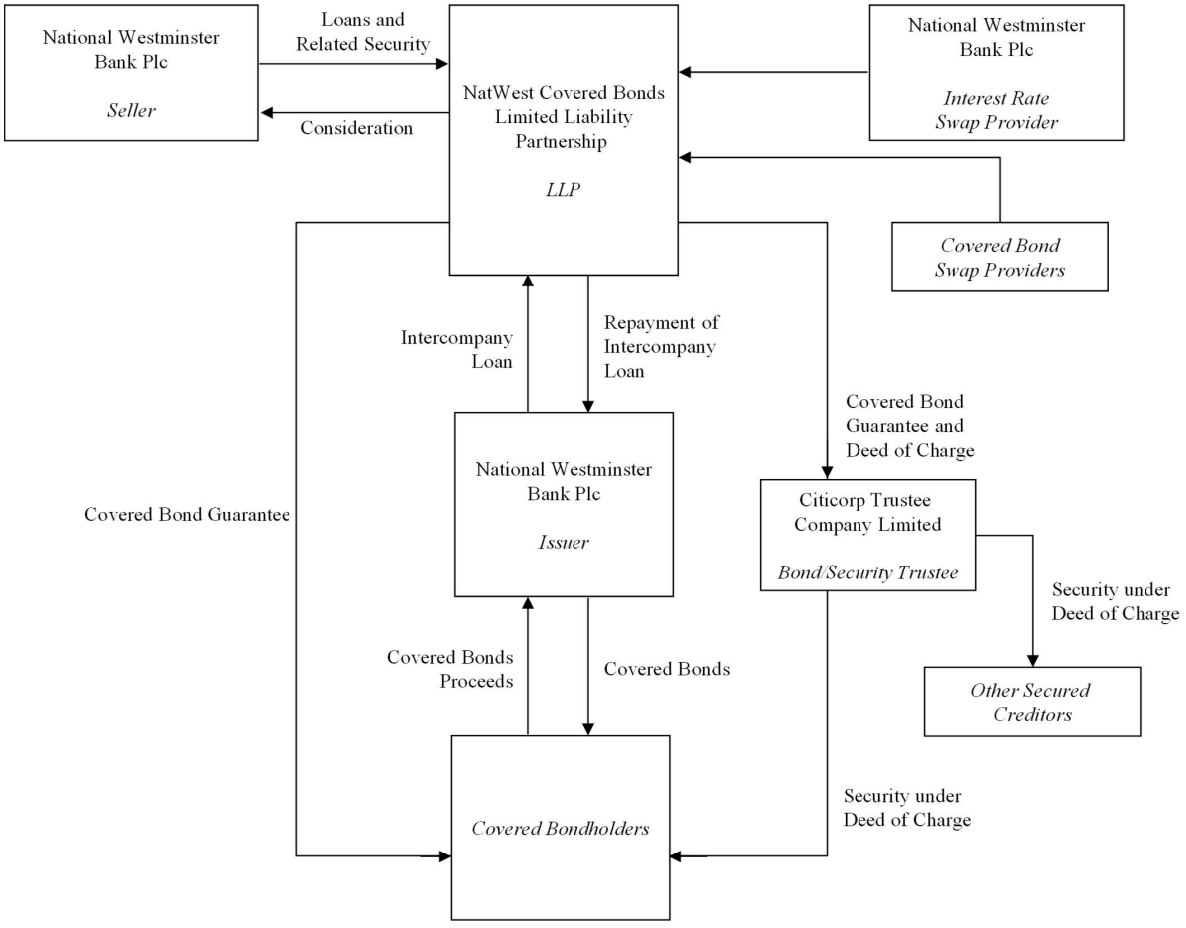
If the terms of the Programme are modified or amended in a manner which would make this Prospectus inaccurate or misleading, or in the event of any material mistake or inaccuracy which is capable of affecting the assessment of any Covered Bonds, a supplement to this Prospectus or a new Prospectus will be prepared for use in connection with any subsequent issue of Covered Bonds.

STRUCTURE OVERVIEW

This Structure Overview must be read as an introduction to this Prospectus and any decision to invest in any Covered Bonds should be based on a consideration of this Prospectus as a whole, including the documents incorporated herein by reference. Following the implementation of the relevant provisions of the EU Prospectus Regulation and/or the PRM no civil liability will attach to either Responsible Person in such Member State or the UK in respect of this Structure Overview, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area or in the UK, the claimant may, under the national legislation of the Member State where the claim is brought, or under English law be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this Structure Overview. A glossary of certain defined terms used in this document is contained at the end of this Prospectus on page 294.

Structure Diagram



Structure Overview

- *Programme*: Under the terms of the Programme, the Issuer will issue Covered Bonds to the Covered Bondholders on each Issue Date. The Covered Bonds will be direct, unsecured, unsubordinated and unconditional obligations of the Issuer.

- *Intercompany Loan Agreement*: Under the terms of the Intercompany Loan Agreement, the Issuer will make Term Advances to the LLP in an amount equal to the Principal Amount Outstanding on the Issue Date of each Series or, as applicable, Tranche of Covered Bonds. Payments by the Issuer of amounts due under the Covered Bonds are not conditional upon receipt by the Issuer of payments from the LLP pursuant to the Intercompany Loan Agreement. Amounts owed by the LLP under the Intercompany Loan Agreement will be subordinated to amounts owed by the LLP under the Covered Bond Guarantee.

- *Covered Bond Guarantee*: Under the terms of the Trust Deed, the LLP has provided a guarantee as to payments of interest and principal under the Covered Bonds. The LLP has agreed to pay an amount equal to the Guaranteed Amounts when the same shall become Due for Payment but which would otherwise be unpaid by the Issuer. The obligations of the LLP under the Covered Bond Guarantee constitute direct, unsubordinated and (following the service of a Notice to Pay on the LLP or, if earlier, the service on the Issuer and the LLP of an LLP Acceleration Notice) unconditional obligations of the LLP, secured as provided in the Deed of Charge. The Bond Trustee will be required to serve a Notice to Pay on the LLP following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice. An LLP Acceleration Notice may be served by the Bond Trustee on the Issuer and the LLP following the occurrence of an LLP Event of Default.

  If an LLP Acceleration Notice is served, the Covered Bonds will become immediately due and payable as against the Issuer and the LLP's obligations under the Covered Bond Guarantee will be accelerated. Payments made by the LLP under the Covered Bond Guarantee will be made subject to, and in accordance with, the Guarantee Priority of Payments or the Post-Enforcement Priority of Payments, as applicable. The recourse of the Covered Bondholders to the LLP under the Covered Bond Guarantee will be limited to the assets of the LLP from time to time.

- *The proceeds of Term Advances*: The LLP will use the proceeds of the Term Advances received under the Intercompany Loan Agreement from time to time (if not denominated in Sterling, after swapping the same into Sterling under the relevant Covered Bond Swap):

  (a) to purchase Loans and their Related Security from the Seller in accordance with the terms of the Mortgage Sale Agreement; and/or

  (b) to invest in Substitution Assets in an amount not exceeding the prescribed limit to the extent required to meet the requirements of Regulations 23 and 24(1)(a) of the RCB Regulations and the Asset Coverage Test and thereafter may be applied by the LLP:

    (i) to purchase Loans and their Related Security, from the Seller in accordance with the terms of the Mortgage Sale Agreement; and/or

    (ii) to invest in Substitution Assets in an amount not exceeding the prescribed limit; and/or

    (iii) (subject to complying with the Asset Coverage Test (as described below)) to make a Capital Distribution to a Member; and/or

    (iv) if an existing Series or Tranche, or part of an existing Series or Tranche, of Covered Bonds is being refinanced (by the issue of a further Series or Tranche of Covered Bonds), to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced; and/or

(v) to make a deposit of all or part of the proceeds in the Deposit Account (including, without limitation, to fund the Reserve Fund to an amount not exceeding the prescribed limit). To protect the value of the Portfolio under the terms of the LLP Deed, the LLP and NatWest (in its capacity as a Member of the LLP) will be obliged to ensure that the Asset Coverage Test (as described below) will be satisfied on each Calculation Date.

- *Consideration*: Under the terms of the Mortgage Sale Agreement, the consideration payable to the Seller for the sale of Loans and their Related Security to the LLP on any Transfer Date will be a combination of (a) a cash payment paid by the LLP to the Seller and/or (b) the Seller being treated as having made a Capital Contribution in Kind to the LLP (in an amount up to the difference between the True Balance of the Loans sold by the Seller as at the relevant Transfer Date and the cash payment (if any) paid by the LLP) and (c) Deferred Consideration.

- *Security*: To secure its obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party, the LLP has granted security over the Charged Property (which consists principally of the LLP's interest in the portfolio of Loans and their Related Security, the Substitution Assets, the Transaction Documents to which it is a party, the LLP Accounts and the Authorised Investments) in favour of the Security Trustee (for itself and on behalf of the other Secured Creditors) pursuant to the Deed of Charge.

- *Cashflows*: Prior to service of an Asset Coverage Test Breach Notice, a Notice to Pay or an LLP Acceleration Notice on the LLP and/or realisation of the Security and/or the commencement of winding-up proceedings against the LLP, the LLP will apply:

  (a) Available Revenue Receipts to pay interest due on the Term Advances (the proceeds of which the Issuer may apply to pay interest due on the Covered Bonds) and to pay Deferred Consideration to the Seller in respect of the Loans sold by the Seller to the LLP. However, these payments will only be made after payment of certain items ranking higher in the Pre-Acceleration Revenue Priority of Payments (including, but not limited to, certain expenses and amounts due to the Interest Rate Swap Provider, the Covered Bond Swap Providers and the Pre-Maturity Liquidity Ledger). For further details of the Pre-Acceleration Revenue Priority of Payments, see "*Cashflows*" below; and

  (b) Available Principal Receipts (i) to fund the Pre-Maturity Liquidity Ledger in respect of any liquidity that may be required in respect of Hard Bullet Covered Bonds following a breach of the Pre-Maturity Test; (ii) towards making Capital Distributions to the Members but only after payment of certain items ranking higher in the Pre-Acceleration Principal Priority of Payments (including, but not limited to, funding the Pre-Maturity Liquidity Ledger and acquiring New Loans and their Related Security offered by the Seller to the LLP). For further details of the Pre-Acceleration Principal Priority of Payments, see "*Cashflows*" below.

  Following service on the LLP of an Asset Coverage Test Breach Notice (which remains outstanding) but prior to service of a Notice to Pay or an LLP Acceleration Notice and/or the realisation of the Security and/or the commencement of winding-up proceedings against the LLP, the LLP will continue to apply Available Revenue Receipts and Available Principal Receipts as described above, except that, whilst any Covered Bonds remain outstanding:

(a) in respect of Available Revenue Receipts, no further amounts will be paid to the Issuer under the Intercompany Loan Agreement, into the Reserve Fund, towards any indemnity amount due to the Members pursuant to the LLP Deed or any indemnity amount due to the Asset Monitor pursuant to the Asset Monitor Agreement, towards any Deferred Consideration or towards any profit for the Members' respective interests in the LLP (but payments will, for the avoidance of doubt, continue to be made under the relevant Swap Agreements); and

(b) in respect of Available Principal Receipts, no payments will be made other than into the Deposit Account subject to exchange into the required currency (if required) in accordance with the relevant Covered Bond Swap (see "*Cashflows*" below).

Following the service on the LLP of a Notice to Pay (but prior to an LLP Event of Default and service of an LLP Acceleration Notice on the LLP and/or the realisation of the Security and/or the commencement of winding-up proceedings against the LLP) the LLP will use all monies (other than Third Party Amounts) to pay Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment subject to paying certain higher ranking obligations of the LLP in the Guarantee Priority of Payments. In such circumstances, the Members of the LLP, including the Seller, will only be entitled to receive any remaining income of the LLP after all amounts due under the Covered Bond Guarantee in respect of the Covered Bonds have been paid in full or have otherwise been provided for.

Following the occurrence of an LLP Event of Default and service of an LLP Acceleration Notice on the LLP and/or the realisation of the Security and/or the commencement of winding-up proceedings against the LLP, the Covered Bonds will become immediately due and repayable as against the Issuer (if not already due and payable following the occurrence of an Issuer Event of Default) and the LLP's obligations under the Covered Bond Guarantee will become immediately due and repayable and the Bond Trustee will then 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 accrued interest and any other amounts due under the Covered Bonds other than additional amounts payable by the Issuer under Condition 7 (*Taxation*) and the security created by the LLP over the Charged Property will become enforceable. Any monies received or recovered by the Security Trustee following enforcement of the Security created by the LLP in accordance with the Deed of Charge, realisation of such Security and/or the commencement of winding-up proceedings against the LLP will be distributed according to the Post-Enforcement Priority of Payments as to which, see "*Cashflows*" below.

- *Interest Accumulation Ledger*: Subject as provided under the heading "*Coupon Payments*" below, in relation to each Series of Covered Bonds that does not have (a) a Covered Bond Swap in place and (b) monthly Interest Payment Dates (each such Series, an **Accumulation Series of Covered Bonds**), the Cash Manager shall maintain an Interest Accumulation Ledger, to which the LLP Monthly Interest Amount will be credited on each LLP Payment Date. Amounts standing to the credit of the Interest Accumulation Ledger in respect of each such Accumulation Series of Covered Bonds will be applied on the relevant Loan Interest Payment Date or Interest Payment Date, as the case may be, together with Available Revenue Receipts (applied in accordance with the relevant Priorities of Payments), to make payments under the Term Advances or Covered Bonds, as applicable.

- *Asset Coverage Test*: The Programme provides that the assets of the LLP are subject to an Asset Coverage Test in respect of the Covered Bonds. Accordingly, for so long as Covered Bonds remain outstanding, the LLP and NatWest (in its capacity as a Member of the LLP) must ensure that, on each Calculation Date, the Aggregate Adjusted Asset Amount will be in

an amount equal to or in excess of the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on that Calculation Date. The Asset Coverage Test will be tested by the Cash Manager on each Calculation Date. A breach of the Asset Coverage Test on a Calculation Date which is not remedied on the immediately succeeding Calculation Date will require the Bond Trustee to serve an Asset Coverage Test Breach Notice on the LLP. The Asset Coverage Test Breach Notice will be revoked if, on any Calculation Date falling on or prior to the third Calculation Date following service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and neither a Notice to Pay nor an LLP Acceleration Notice has been served.

If an Asset Coverage Test Breach Notice has been delivered and remains outstanding:

(a) the application of Available Revenue Receipts and Available Principal Receipts will be restricted;

(b) the LLP will be required to sell Selected Loans; and

(c) the Issuer will not be permitted to make to the LLP and the LLP will not be permitted to borrow from the Issuer any new Term Advances under the Intercompany Loan Agreement.

If an Asset Coverage Test Breach Notice has been served and remains outstanding on the third Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default shall occur and the Bond Trustee shall be entitled (and, in certain circumstances, may be required) to serve an Issuer Acceleration Notice on the Issuer. Following service of an Issuer Acceleration Notice, the Bond Trustee must serve a Notice to Pay on the LLP.

- *Amortisation Test*: In addition, following service of a Notice to Pay on the LLP (but prior to service of an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security) and, for so long as Covered Bonds remain outstanding, the LLP must ensure that on each Calculation Date following an Issuer Event of Default and the service of a Notice to Pay on the LLP, the Amortisation Test Aggregate Loan Amount will be in an amount at least equal to the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds from time to time. The Amortisation Test will be tested by the Cash Manager on each Calculation Date following an Issuer Event of Default and service of a Notice to Pay on the LLP. A breach of the Amortisation Test will constitute an LLP Event of Default, which will entitle the Bond Trustee to serve an LLP Acceleration Notice declaring the Covered Bonds immediately due and repayable as against the Issuer (if not already due and payable following the occurrence of an Issuer Event of Default) and the LLP's obligations under the Covered Bond Guarantee will be accelerated and entitle the Security Trustee to enforce the Security over the Charged Property.

- *Extendable obligations under the Covered Bond Guarantee*: An Extended Due for Payment Date may be specified as applying in relation to a Series of Covered Bonds in the applicable Final Terms. This means that if the Issuer fails to pay the Final Redemption Amount of the relevant Series of Covered Bonds on the Final Maturity Date (subject to applicable grace periods) and if the Guaranteed Amounts equal to the Final Redemption Amount of the relevant Series of Covered Bonds are not paid in full by the Extension Determination Date (for example because, following the service of a Notice to Pay on the LLP, the LLP has insufficient monies available in accordance with the Guarantee Priority of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds) then payment of the unpaid amount pursuant to the Covered Bond

Guarantee shall be automatically deferred (without an LLP Event of Default occurring as a result of such non-payment) and shall be due and payable on the Extended Due for Payment Date (subject to any applicable grace period) set out in the relevant Final Terms. However, any amount representing the Final Redemption Amount due and remaining unpaid on the Extension Determination Date may be paid by the LLP in whole or in part on any Interest Payment Date thereafter, up to (and including) the relevant Extended Due for Payment Date. Interest will continue to accrue on any unpaid amount during such extended period and be payable on each relevant Due for Payment Date and on the Extended Due for Payment Date in accordance with Condition 4 (*Interest*).

- *Coupon Payments*: Subject as provided in the circumstances set out below, if NatWest is acting as Cash Manager pursuant to the Cash Management Agreement and a Cash Manager Relevant Event occurs and is continuing, NatWest (in its capacity as a Member of the LLP) will:

  (a) within ten London Business Days of the occurrence of that Cash Manager Relevant Event make a Cash Capital Contribution to the LLP in an aggregate amount equal to:

    (i) (in the case of each Term Advance where a Covered Bond Swap is not in place other than an Accumulation Series of Covered Bonds) the Required Coupon Amount payable on the immediately succeeding Loan Interest Payment Date for each such Term Advance; and/or

    (ii) (in the case of a Term Advance where a Covered Bond Swap is in place) the Required Coupon Amount payable on the next date on which the LLP is due to make a payment under the relevant Covered Bond Swap (other than those amounts due in respect of an Interim Exchange Date or Final Exchange Date (each as defined in the relevant Covered Bond Swap Agreement)) relating to each Term Advance; and/or

    (iii) (in the case of a Term Advance relating to an Accumulation Series of Covered Bonds) the Required Coupon Amount payable on the immediately succeeding LLP Payment Date for each such Term Advance, and

  (b) thereafter, make a Cash Capital Contribution to the LLP not less than one London Business Day after:

    (i) each Loan Interest Payment Date, in an amount equal to the aggregate of the Required Coupon Amount due on the next following Loan Interest Payment Date in respect of each Term Advance without a Covered Bond Swap in place other than an Accumulation Series of Covered Bonds; and/or

    (ii) each date on which the LLP is due to make a payment under a Covered Bond Swap, in an amount equal to the aggregate of the Required Coupon Amount due on the next date on which the LLP is due to make a payment under the relevant Covered Bond Swap in respect of each Term Advance with a Covered Bond Swap in place; and/or

    (iii) each LLP Payment Date, in an amount equal to the aggregate of the Required Coupon Amount due on the next following LLP Payment Date in respect of each Term Advance relating to an Accumulation Series of Covered Bonds.

If a Cash Manager Relevant Event has occurred and is continuing, the LLP will not be required to hold amounts in respect of the LLP Monthly Interest Amount in the relevant

Interest Accumulation Ledger in respect of an Accumulation Series of Covered Bonds and may apply the payments that would otherwise be paid into the relevant Interest Accumulation Ledger in accordance with the Priority of Payments to make a payment to the Coupon Payment Ledger to fund in whole or in part, the amount to be deposited by NatWest set out above. Any surplus over and above the amount to be deposited, as described above, will be paid into the Interest Accumulation Ledger.

The LLP will transfer an amount equal to the Cash Capital Contribution it receives from NatWest within one London Business Day of receipt of such amount into the relevant Deposit Account and make a credit to the Coupon Payment Ledger. On the date of the transfer, the LLP will, on the direction of the Issuer, deliver an irrevocable payment instruction (specifying the ISIN and/or CUSIP, as applicable, in respect of the relevant Series of Covered Bonds) to the Account Bank to pay such amounts to the Principal Paying Agent or the relevant Covered Bond Swap Provider, as applicable on the dates referred to above.

- *Servicing*: NatWest has entered into the Servicing Agreement with the LLP and the Security Trustee, pursuant to which it has agreed to provide certain services in respect of the Loans and their Related Security sold by it to the LLP.

- *The RCB Regulations 2008*: On 1 April 2010, RBS was admitted to the register of issuers and the Programme was admitted to the register of regulated covered bonds under the RCB Regulations. National Westminster Bank Plc as the Issuer was admitted to the register of issuers on 26 June 2017.

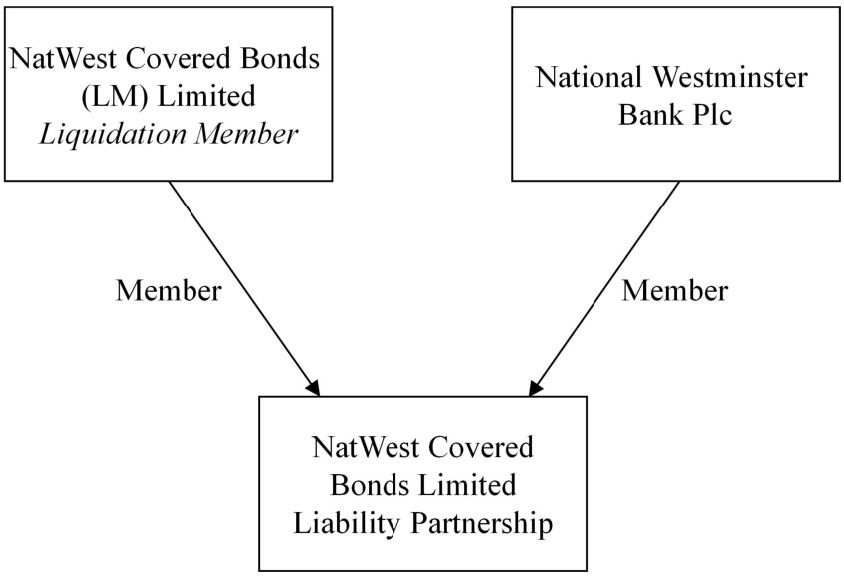
- *Further Information*: For a more detailed description of the transactions summarised above relating to the Covered Bonds see, among other relevant sections of this Prospectus, "*Overview of the Programme*", "*Terms and Conditions of the Covered Bonds*", "*Summary of the Principal Documents*", "*Credit Structure*", "*Cashflows*" and "*Further Information Relating to the Regulation of Mortgages in the UK*" below.

Ownership Structure of NatWest Covered Bonds Limited Liability Partnership

- As at the date of this Prospectus, the Members of the LLP are NatWest and the Liquidation Member.

- A New Member may be admitted to the LLP, subject to meeting certain conditions precedent including, but not limited to, written confirmation from the Rating Agencies that this would not adversely affect the then current ratings of all outstanding Covered Bonds.

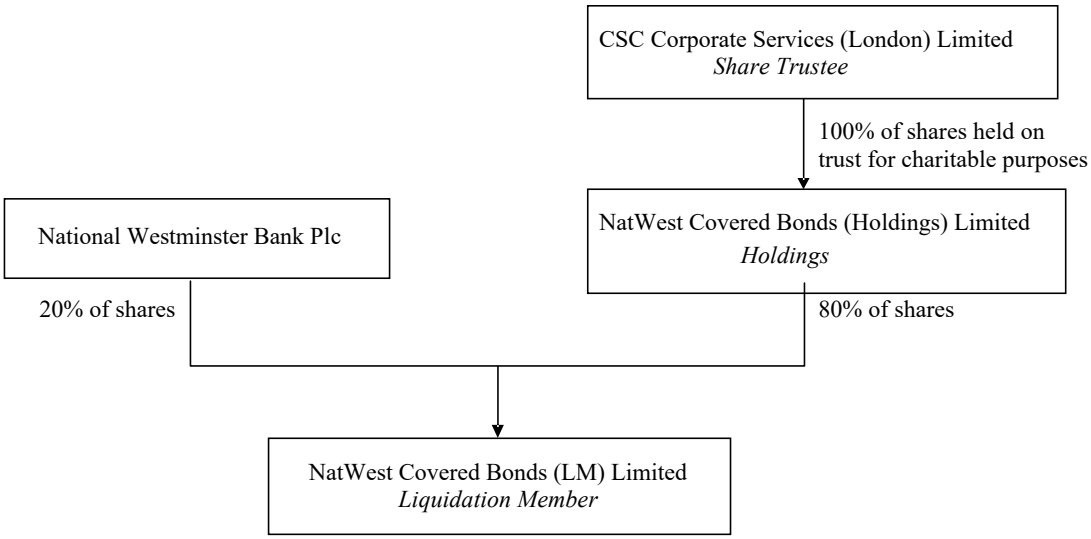
- Other than in respect of those decisions reserved to the Members, the LLP Management Committee (comprised of directors and/or employees of the Seller and the Liquidation Member) will manage and conduct the business of the LLP and will have all the rights, power and authority to act at all times for and on behalf of the LLP.



Ownership Structure of the Liquidation Member

- As at the date of this Prospectus, 80% of the issued share capital of the Liquidation Member is held by Holdings and 20% of the issued share capital of the Liquidation Member is held by NatWest.

- The entire issued capital of Holdings is held by CSC Corporate Services (London) Limited (formerly known as Intertrust Corporate Services Limited) as share trustee on trust for charitable purposes.



OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Covered Bonds, the applicable Final Terms. Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this overview. A glossary of certain defined terms is contained at the end of this Prospectus on page 294.

Issuer: National Westminster Bank Plc (**NatWest**), incorporated under the laws of England and Wales (registered number 00929027). Prior to the RFTS Effective Date, the Issuer under the Programme was RBS.

The LLP: NatWest Covered Bonds Limited Liability Partnership, a limited liability partnership incorporated in England and Wales (partnership no. OC349504). The LLP changed its name from RBS Covered Bonds Limited Liability Partnership on 18 April 2018. The Members of the LLP on the date of this Prospectus are NatWest (in its capacity as the Seller) and the Liquidation Member. The LLP is a special purpose vehicle whose business is to acquire, *inter alia*, Loans and their Related Security from the Seller pursuant to the terms of the Mortgage Sale Agreement and to guarantee certain payments in respect of the Covered Bonds. The LLP will hold the Portfolio and the other Charged Property in accordance with the terms of the Transaction Documents.

The LLP has provided a guarantee covering all Guaranteed Amounts when the same shall become Due for Payment, but only following an Issuer Event of Default and the service on the LLP of a Notice to Pay or, if earlier, an LLP Acceleration Notice. The obligations of the LLP under the Covered Bond Guarantee and the other Transaction Documents to which it is a party are secured by the assets from time to time of the LLP and recourse against the LLP is limited to such assets.

For a more detailed description of the LLP, see "*The LLP*" below.

Seller: The Seller under the Programme is National Westminster Bank Plc, which is in the business, *inter alia*, of originating and acquiring residential mortgage loans, and conducting other banking related activities.

Prior to the RFTS Effective Date, RBS was a Seller under the Programme.

National Westminster Home Loans Limited (**NWHL**), was originally a Seller under the Programme, but on 1 November 2012 pursuant to the Deed of Novation, novated its rights and obligations under the Transaction Documents to which it is a party to NatWest including its rights and obligations as Seller.

Servicer: Pursuant to the terms of the Servicing Agreement, NatWest has been appointed to service, on behalf of the LLP, the Loans and Related Security sold to the LLP by it. On the Initial Programme Date, NWHL was appointed as a Servicer in respect of the Loans sold to the LLP by it. On 1 November 2012, NWHL novated its rights and obligations under the Servicing Agreement to NatWest, and NatWest has agreed to service the Loans and the Related Security sold to the LLP by NWHL or by NatWest. Prior to the RFTS Effective Date, RBS was a Servicer under the Programme.

Back-Up Servicer Facilitator:	CSC Management Services (UK) Limited (formerly known as Intertrust Management Limited), having its registered office at 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU, has been appointed to provide certain back-up servicer facilitator services to the Issuer, pursuant to the terms of the Servicing Agreement.
Cash Manager:	NatWest has been appointed, *inter alia*, to provide cash management services to the LLP and to monitor compliance by the LLP with the Asset Coverage Test and the Amortisation Test pursuant to the terms of the Cash Management Agreement. Prior to the RFTS Effective Date, the Cash Manager under the Programme was RBS.
Back-Up Cash Manager Facilitator:	CSC Management Services (UK) Limited (formerly known as Intertrust Management Limited), having its registered office at 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU, has been appointed to provide certain back-up cash manager facilitator services to the Issuer, pursuant to the terms of the Cash Management Agreement.
Principal Paying Agent:	Citibank, N.A., London Branch acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB has been appointed pursuant to the Agency Agreement as Principal Paying Agent.
Transfer Agent:	Citibank, N.A., London Branch acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB has been appointed pursuant to the Agency Agreement as Transfer Agent.
Registrar:	Citibank, N.A., London Branch acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB has been appointed pursuant to the Agency Agreement as Registrar.
Bond Trustee:	Citicorp Trustee Company Limited, whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB has been appointed to act as Bond Trustee on behalf of the Covered Bondholders in respect of the Covered Bonds and holds the benefit of, *inter alia*, the covenant to pay and the Covered Bond Guarantee on behalf of the Covered Bondholders pursuant to the Trust Deed.
Security Trustee:	Citicorp Trustee Company Limited whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB has been appointed to act as Security Trustee to hold the benefit of the Security granted by the LLP to the Security Trustee (for itself, the Covered Bondholders and the other Secured Creditors) pursuant to the Deed of Charge.
Asset Monitor:	A reputable institution appointed pursuant to the Asset Monitor Agreement as an independent monitor to perform tests in respect of the Asset Coverage Test, and service as an asset pool monitor when required. The Asset Monitor has also been appointed as the "Asset Pool Monitor" (as defined in the RCB Regulations) for the purposes of the RCB Regulations (See "*Description of the UK Regulated Covered Bond Regime*" below). As at the date of this Prospectus, the Asset Monitor is Deloitte LLP.
Covered Bond	Each swap provider which agrees to act as Covered Bond Swap Provider to the

Swap Providers:	LLP to hedge certain interest rate, currency and/or other risks in respect of amounts received by the LLP under the Loans and the Interest Rate Swaps and amounts payable by the LLP under the Intercompany Loan Agreement (prior to the service of a Notice to Pay) and under the Covered Bond Guarantee in respect of the Covered Bonds (after service of a Notice to Pay) by entering into one or more Covered Bond Swaps with the LLP and the Security Trustee under a Covered Bond Swap Agreement in respect of each relevant Series or Tranche of Covered Bonds (where applicable).
Interest Rate Swap Provider:	NatWest agrees to act as an Interest Rate Swap Provider to the LLP to hedge possible variances between the rates of interest payable on the Loans sold by the Seller to the LLP and the interest basis payable by the LLP under the Covered Bond Swaps and/or, as applicable, where a Covered Bond Swap is not in place in respect of a Term Advance, the relevant Term Advance, by entering into the Interest Rate Swaps with the LLP and the Security Trustee under the Interest Rate Swap Agreement. Prior to the RFTS Effective Date, the Interest Rate Swap Provider under the Programme was RBS.
Account Bank:	National Westminster Bank Plc in its capacity as such under the Bank Account Agreement together with any successor or replacement account bank or any additional or alternative account bank at which the LLP has an account from time to time.
Swap Collateral Account Bank:	Citibank, N.A., London Branch, appointed as a Swap Collateral Account Bank to the LLP pursuant to the terms of the Swap Collateral Account Bank Agreement, together with any other swap collateral account bank at which the LLP has an account from time to time.
Liquidation Member:	NatWest Covered Bonds (LM) Limited, a special purpose vehicle incorporated in England and Wales as a private limited company (registered no. 7053120). The Liquidation Member changed its name from RBS Covered Bonds (LM) Limited on 18 April 2018. As at the date of this Prospectus, 80% of the issued share capital of the Liquidation Member is held by Holdings and 20% of the issued share capital of the Liquidation Member is held by NatWest.
Holdings:	NatWest Covered Bonds (Holdings) Limited, a special purpose vehicle incorporated in England and Wales as a private limited company (registered no. 7033644). Holdings changed its name from RBS Covered Bonds (Holdings) Limited on 18 April 2018. All of the shares of Holdings are held by the Share Trustee on trust for general charitable purposes.
Share Trustee:	CSC Corporate Services (London) Limited (formerly known as Intertrust Corporate Services Limited), having its registered office at 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU.
Corporate Services Provider:	CSC Management Services (UK) Limited (formerly known as Intertrust Management Limited), having its registered office at 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU, has been appointed to provide certain corporate services to the Liquidation Member and Holdings, pursuant to the Corporate Services Agreement.
Programme description:	Global Covered Bond Programme.

Arranger:	NatWest Markets Plc.
Dealer:	NatWest Markets Plc and any other Dealer appointed from time to time in accordance with the Programme Agreement.
Certain restrictions:	Each issue of Covered Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see the section of this Prospectus entitled "*Subscription and Sale and Transfer and Selling Restrictions*" below).
Programme size:	Up to €25 billion (or its equivalent in other currencies determined as described in the Programme Agreement) outstanding at any time as described herein. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Covered Bonds may be distributed under the Programme by way of private or public placement and in each case on a syndicated or non-syndicated basis, subject to the restrictions set forth in the section of this Prospectus entitled "*Subscription and Sale and Transfer and Selling Restrictions*" below.
Specified currencies:	Subject to any applicable legal or regulatory restrictions, such currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Principal Paying Agent and the Bond Trustee (as set out in the applicable Final Terms).
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Covered Bonds may be issued at par or at a premium or discount to par, as set out in the relevant Final Terms.
Form of Covered Bonds:	The Covered Bonds will be issued in bearer or registered form as described in the section of this Prospectus entitled "*Form of the Covered Bonds*" below. Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and *vice versa*.
Fixed Rate Covered Bonds:	Fixed Rate Covered Bonds will bear interest at a fixed rate which will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
Floating Rate Covered Bonds:	Floating Rate Covered Bonds will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or

(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s),

as set out in the applicable Final Terms.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Covered Bonds as set out in the applicable Final Terms.

Other provisions in relation to Floating Rate Covered Bonds: Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms). Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer(s), as set out in the relevant Final Terms.

N Covered Bonds: The Issuer may issue N Covered Bonds (*Namensschuldverschreibung*) from time to time. For the avoidance of doubt, such N Covered Bonds will not be issued pursuant to this Prospectus. The N Covered Bonds will be governed by German law and will rank *pari passu* with all other Covered Bonds issued pursuant to the Programme from time to time.

Zero Coupon Covered Bonds: Zero Coupon Covered Bonds may be offered and sold at a discount to their nominal amount and will not bear interest except in the case of late payment unless otherwise specified in the applicable Final Terms.

Rating Agency confirmation: The issuance of all Covered Bonds shall be subject to confirmation by each of the Rating Agencies that the then current ratings for any outstanding Covered Bonds will not be adversely affected by the issuance of such Covered Bonds. For more information on Rating Agency confirmations in respect of the Programme see the section of this Prospectus entitled "*Risk Factors – Rating Agency Confirmation in respect of Covered Bonds*" below.

Redemption: The applicable Final Terms relating to each Tranche of Covered Bonds will indicate either that the relevant Covered Bonds of such Tranche cannot be redeemed prior to their stated maturity (except for taxation reasons or if it becomes unlawful for any Term Advance to remain outstanding or following an Issuer Event of Default or an LLP Event of Default) or that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the Covered Bondholders, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

Extendable obligations under the Covered Bond Guarantee: The applicable Final Terms may also provide that the LLP's obligations under the Covered Bond Guarantee to pay the Guaranteed Amounts corresponding to the Final Redemption Amount of the applicable Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) may be deferred until the Extended Due for Payment Date. In such case, such deferral will occur automatically if the Issuer fails to pay the Final Redemption Amount of the

relevant Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) and if the Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds are not paid in full by the LLP by the Extension Determination Date (for example, because the LLP has insufficient monies to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the relevant Series of Covered Bonds after payment of higher ranking amounts and taking into account amounts ranking *pari passu* in the Guarantee Priority of Payments). To the extent that the LLP has received a Notice to Pay in sufficient time and has sufficient monies to pay in part the Final Redemption Amount, such partial payment shall be made by the LLP on any Interest Payment Date up to and including the relevant Extended Due for Payment Date as described in Condition 6(a) (*Final redemption*). Interest will continue to accrue and be payable on the unpaid amount up to the Extended Due for Payment Date in accordance with Condition 4 (*Interest*) and the LLP will make payments of Guaranteed Amounts constituting Scheduled Interest on each relevant Due for Payment Date and Extended Due for Payment Date.

Hard Bullet Covered Bonds: Hard Bullet Covered Bonds may be offered and will be subject to a Pre-Maturity Test. The intention of the Pre-Maturity Test is to provide liquidity for the Hard Bullet Covered Bonds if the Issuer's credit ratings have fallen below a certain level.

Denomination of Covered Bonds: Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that, except in certain limited circumstances, the minimum denomination of each Covered Bond will be at least €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, at least the equivalent amount in such currency) or such other higher amount as may be required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Unless otherwise stated in the applicable Final Terms, the minimum denomination of each Definitive Rule 144A Covered Bond will be U.S.$250,000 or its approximate equivalent in other Specified Currencies.

Taxation: All payments in respect of the Covered Bonds will be made without deduction or withholding for or on account of United Kingdom taxes, subject as provided in Condition 7 (*Taxation*). If any such deduction or withholding is made, the Issuer will, save in the limited circumstances provided in Condition 7 (*Taxation*), be required to pay such additional amounts which will result in receipt by the Covered Bondholders of such amounts as would have been received by them had no such withholding or deduction been made. Under the Covered Bond Guarantee, the LLP will not be liable to pay any such additional amounts that would have been payable by the Issuer under Condition 7 (*Taxation*).

Cross default: If an Issuer Acceleration Notice is served in respect of one Series of Covered Bonds, then the Covered Bonds of all Series outstanding will be accelerated against the Issuer.

If an LLP Acceleration Notice is served in respect of any one Series of Covered Bonds, then the obligation of the LLP to pay Guaranteed Amounts in respect of all Series of Covered Bonds outstanding will be accelerated.

Status of the Covered Bonds:	The Covered Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.
Covered Bond Guarantee:	Payment of Guaranteed Amounts in respect of the Covered Bonds when Due for Payment will be irrevocably guaranteed by the LLP. The obligations of the LLP to make payment in respect of the Guaranteed Amounts when Due for Payment are subject to the condition that an Issuer Event of Default occurs, an Issuer Acceleration Notice is served on the Issuer and a Notice to Pay is served on the LLP or, if earlier, an LLP Event of Default occurs and an LLP Acceleration Notice is served on the LLP. The obligations of the LLP under the Covered Bond Guarantee will accelerate against the LLP upon the service of an LLP Acceleration Notice. The obligations of the LLP under the Covered Bond Guarantee constitute direct and unsubordinated obligations of the LLP secured against the assets from time to time of the LLP and recourse against the LLP is limited to such assets.
Ratings:	Covered Bonds to be issued under the Programme have the ratings specified in the applicable Final Terms on issuance.
Listing and admission to trading:	Application has been made to admit Covered Bonds (other than N Covered Bonds) issued under the Programme to the Official List and to admit the Covered Bonds to trading on the main market of the London Stock Exchange. For the avoidance of doubt, such N Covered Bonds will not be issued pursuant to this Prospectus. The Programme provides that Covered Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or regulated or unregulated markets as may be agreed between the Issuer, the LLP, the Bond Trustee (as defined below) and the relevant Dealer(s). The Issuer may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated or unregulated market. All Covered Bonds will have the benefit of the Covered Bond Guarantee and the Security granted by the LLP in respect of the Charged Property. For the avoidance of doubt, unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any regulated or unregulated market will not be issued pursuant to this Prospectus.
The RCB Regulations:	On 1 April 2010, RBS was admitted to the register of issuers and the Programme was admitted to the register of regulated covered bonds under the RCB Regulations. National Westminster Bank Plc as the Issuer was admitted to the register of issuers on 26 June 2017.
Governing law:	The Covered Bonds will be governed by, and construed in accordance with, English law. N Covered Bonds shall be governed by, and construed in accordance with, the laws of the Federal Republic of Germany. The English courts shall have exclusive jurisdiction in the event of any dispute arising out of or in connection with each N Covered Bond (including a dispute relating to any non-contractual rights and obligations) in respect of the N Covered Bonds.

Selling restrictions:	There are restrictions on the offer, sale and transfer of any Tranche of Covered Bonds in the United States, the European Economic Area, the UK and Japan. Other restrictions may apply in connection with the offering and sale of a particular Series of Covered Bonds. See the section of this Prospectus entitled "*Subscription and Sale and Transfer and Selling Restrictions*" below.
Risk factors:	There are certain risks related to any issue of Covered Bonds under the Programme, which investors should ensure they fully understand, a non-exhaustive summary of which is set out in the section of this Prospectus entitled "*Risk Factors*" from page 31 of this Prospectus.

RISK FACTORS

The Issuer and the LLP believe that the following factors may affect their ability to fulfil their respective obligations under the Covered Bonds.

This section describes the principal risk factors associated with an investment in the Covered Bonds. Any investment in the Covered Bonds is subject to a number of risks. Prior to investing in the Covered Bonds, prospective investors should carefully consider risk factors associated with any investment in the Covered Bonds, the business of the Issuer and the industry in which it operates together with all other information contained in this Prospectus, including, in particular, the risk factors described below, before making any investment decision. Words and expressions defined in the "Terms and Conditions of the Covered Bonds" section or elsewhere in this Prospectus have the same meanings in this section. Prospective investors should note that the following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Covered Bonds. The Issuer has described only those risks relating to its ability to fulfil its obligations under the Covered Bonds that it considers to be material. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Issuer and, if any such risk should occur, the price of the Covered Bonds may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Covered Bonds is suitable for them in light of the information in this Prospectus and their particular circumstances.

1. RISKS RELATING TO THE ISSUER

Risk factors incorporated by reference. Prospective investors should consider the section entitled "*Risk Factors*" provided in pages 169 to 185 in the 2025 Issuer Annual Report and Accounts as referred to in "*Documents Incorporated by Reference*" above. In particular, investors should be aware that payments and return of initial investment in relation to the Covered Bonds, depends on, among other things, the solvency of the Issuer.

2. RISKS RELATING TO THE COVERED BONDS

Finite resources are available to the LLP to make payments due under the Covered Bond Guarantee. Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice on the Issuer, all amounts payable under the Covered Bonds will be accelerated by the Bond Trustee as against the Issuer following which a Notice to Pay will be served by the Bond Trustee on the LLP. The LLP's ability to meet its obligations under the Covered Bond Guarantee will depend on: (a) the realisable value of Selected Loans and their Related Security in the Portfolio; (b) the amount of Revenue Receipts and Principal Receipts generated by the Portfolio and the timing thereof; (c) amounts received from the Swap Providers; (d) the realisable value of Substitution Assets held by it; (e) the receipt by it of credit balances and interest on credit balances on the Deposit Account; and (f) the receipt by it of the interest element of Authorised Investments. Recourse against the LLP under the Covered Bond Guarantee is limited to the aforementioned assets and the LLP will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

If an LLP Event of Default occurs and the Security created by or pursuant to the Deed of Charge is enforced, the Charged Property may not be sufficient to meet the claims of all the Secured Creditors, including the Covered Bondholders.

However, the Secured Creditors may still have an unsecured claim against the Issuer for the shortfall, but there is no guarantee that the Issuer will have sufficient funds to pay that shortfall.

Covered Bondholders should note that the Asset Coverage Test has been structured to ensure that the Aggregate Adjusted Asset Amount is equal to or in excess of the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding, which should reduce the risk of there ever being a shortfall (although there is no assurance of this – in particular, the sale of further Loans and Related Security by the Seller to the LLP may be required to avoid or remedy a breach of the Asset Coverage Test). The LLP must ensure that following the occurrence of an Issuer Event of Default, the Amortisation Test is met on each Calculation Date and a breach of the Amortisation Test will constitute an LLP Event of Default and will entitle the Bond Trustee to serve an LLP Acceleration Notice on the LLP (see the section of this Prospectus entitled "*Summary of the Principal Documents – LLP Deed – Asset Coverage Test*" and "*Credit Structure – Asset Coverage Test*"). The Asset Coverage Test and the Yield Shortfall Test have in the aggregate been structured to ensure that the Asset Pool is sufficient to pay amounts due on the Covered Bonds and senior ranking expenses which will include costs relating to the maintenance, administration and winding-up of the Asset Pool whilst the Covered Bonds are outstanding. However no assurance can be given that the Asset Pool will yield sufficient amounts for such purpose.

LLP only obliged to pay Guaranteed Amounts when the same are Due for Payment. Subject as provided in the Trust Deed, following service of an Issuer Acceleration Notice on the Issuer, a Notice to Pay will be served by the Bond Trustee on the LLP. Subsequent to a failure by the Issuer to make a payment in respect of one or more Series of Covered Bonds, the Bond Trustee may, but is not obliged to, serve an Issuer Acceleration Notice unless and until requested or directed by the holders of at least 25% of the aggregate Principal Amount Outstanding of the Covered Bonds then outstanding as if they were a single Series or if so directed by an Extraordinary Resolution of all the Covered Bondholders in (including, without limitation, the N Covered Bondholders) accordance with Condition 9(a) (*Issuer Events of Default*). Following service of a Notice to Pay on the LLP, under the terms of the Covered Bond Guarantee the LLP will be obliged to pay Guaranteed Amounts as and when the same are Due for Payment. In these circumstances, the LLP will not be obliged to pay any other amounts which become payable for any other reason.

Payments by the LLP will be made subject to any applicable withholding or deduction and the LLP will not be obliged to pay any additional amounts to the Covered Bondholders as a consequence of such withholding or deduction. The attention of potential Covered Bondholders is drawn to the paragraph headed "*Taxation – United Kingdom Taxation – Payments by the LLP*". Prior to service on the LLP of an LLP Acceleration Notice, the LLP will not be obliged to make any payments in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the Covered Bonds. In addition, the LLP will not be obliged at any time to make any payments in respect of additional amounts which may become payable by the Issuer under Condition 7 (*Taxation*).

Subject to any grace period, if the LLP fails to make a payment when Due for Payment under the Covered Bond Guarantee or any other LLP Event of Default occurs, then the Bond Trustee may accelerate the obligations of the LLP under the Covered Bond Guarantee by service of an LLP Acceleration Notice, whereupon the Bond Trustee will have a claim under the Covered Bond Guarantee for an amount equal to the Early Redemption Amount of each Covered Bond, together with accrued interest and all other amounts then due under the Covered Bonds (other than any additional amounts payable by the Issuer under Condition 7 (*Taxation*)), although in such circumstances the LLP will not be obliged to gross-up in respect of any withholding or deduction which may be required in respect of any payment which it makes under the Covered Bond Guarantee. Following service of an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP, the Security Trustee may enforce the Security over the Charged Property. The proceeds of enforcement and realisation of the Security shall be applied by the

Security Trustee in accordance with the Post-Enforcement Priority of Payments in the Deed of Charge, and the Covered Bondholders will receive amounts from the LLP on an accelerated basis.

Differences in timings of obligations of the LLP and the Covered Bond Swap Providers under the Covered Bond Swaps and other hedging mismatches in certain circumstances. With respect to the Covered Bond Swaps, the LLP will pay a monthly amount, on each LLP Payment Date, to each Covered Bond Swap Provider based on an agreed floating rate. Each Covered Bond Swap Provider may not be obliged to make corresponding swap payments to the LLP under a Covered Bond Swap for up to twelve (12) months until amounts are due and payable by the LLP under the Intercompany Loan Agreement (prior to the service of a Notice to Pay or LLP Acceleration Notice on the LLP) or are Due for Payment under the Covered Bond Guarantee (after the service of a Notice to Pay or LLP Acceleration Notice on the LLP). If a Covered Bond Swap Provider does not meet its payment obligations to the LLP under the relevant Covered Bond Swap and such Covered Bond Swap Provider does not make a termination payment that has become due from it to the LLP, the LLP may have a larger shortfall in funds with which to make payments under the Covered Bond Guarantee with respect to the Covered Bonds than if the Covered Bond Swap Provider's payment obligations coincided with the LLP's payment obligations under the Covered Bond Guarantee. Hence, the difference in timing between the obligations of the LLP and the Covered Bond Swap Providers under the Covered Bond Swaps may affect the LLP's ability to make payments under the Covered Bond Guarantee with respect to the Covered Bonds.

In addition to the above, although the LLP has entered into the Interest Rate Swap Agreement and any Covered Bond Swap Agreements to hedge itself against basis risk, interest rate risk and/or currency risk, the LLP may not in all cases be perfectly hedged against the relevant risk due to differences in the frequency of payment dates, reference rate used and/or the date on which such reference rate is reset (in each case under the relevant swap) relative to that which the LLP is hedging against.

Covered Bonds where denominations involve integral multiples: definitive Covered Bonds. In relation to any issue of Covered Bonds that have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Covered Bonds may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Covered Bondholder who, as a result of trading such amounts, holds an amount which (after deducting integral multiples of such minimum Specified Denomination) is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Covered Bond in respect of such holding (should definitive Covered Bonds be printed) and would need to purchase a principal amount of Covered Bonds such that its holding amounts to a Specified Denomination. If definitive Covered Bonds are issued, Covered Bondholders should be aware that definitive Covered Bonds that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Excess Proceeds received by the Bond Trustee. Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may receive Excess Proceeds. The Excess Proceeds will 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 will be held by the LLP in the Deposit Account and the Excess Proceeds will thereafter form part of the Security and will be used by the LLP in the same manner as all other monies from time to time standing to the credit of the Deposit Account. Any Excess Proceeds received by the Bond Trustee will discharge pro tanto the obligations of the Issuer in respect of the Covered Bonds and Coupons (subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the LLP). However, the obligations of the LLP under the Covered Bond Guarantee are unconditional and irrevocable (following service on the LLP of a Notice to Pay) and the receipt by the Bond Trustee of any Excess Proceeds will not reduce or discharge any such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the LLP in the manner as described above.

Series specific risks. A wide range of Covered Bonds may be issued under the Programme. A number of these Covered Bonds may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Extendable obligations under the Covered Bond Guarantee. Following the failure by the Issuer to pay all or part of the Final Redemption Amount of a Series of Covered Bonds on their Final Maturity Date (subject to applicable grace periods) and if, following the service of a Notice to Pay on the LLP (by no later than the date which falls one (1) Business Day prior to the Extension Determination Date), payment of the Guaranteed Amounts corresponding to the relevant unpaid Final Redemption Amount in respect of such Series of the Covered Bonds are not paid in full, then the payment of such Guaranteed Amounts may be automatically deferred. The Issuer is not required to notify Covered Bondholders of such deferral. This will occur (subject to no LLP Event of Default having occurred) if the Final Terms for a relevant Series of Covered Bonds (the relevant Series of Covered Bonds) provide that such Covered Bonds are subject to an Extended Due for Payment Date.

To the extent that the LLP has received a Notice to Pay in sufficient time and has sufficient monies available to pay in part the Guaranteed Amounts corresponding to the relevant unpaid Final Redemption Amount in respect of the relevant Series of Covered Bonds, the LLP shall make such partial payment in accordance with the Guarantee Priority of Payments and as described in Condition 6(a) (*Final redemption*) on any Interest Payment Date up to and including the relevant Extended Due for Payment Date. Payment of the unpaid amount shall be deferred automatically until the applicable Extended Due for Payment Date (where the relevant Series of Covered Bonds are subject to an Extended Due for Payment Date). The Extended Due for Payment Date of the relevant Series of Covered Bonds will be specified in the relevant Final Terms. Interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 4 (*Interest*) and the LLP will pay Guaranteed Amounts constituting Scheduled Interest on each Due for Payment Date and the Extended Due for Payment Date. In these circumstances, except where the LLP has failed to apply money in accordance with the Guarantee Priority of Payments, failure by the LLP to make payment in respect of the Final Redemption Amount on the Final Maturity Date (or such later date within any applicable grace period) shall not constitute an LLP Event of Default. However, failure by the LLP to pay Guaranteed Amounts corresponding to the Final Redemption Amount or the balance thereof, as the case may be, on the Extended Due for Payment Date and/or pay Guaranteed Amounts constituting Scheduled Interest on any Due for Payment Date or the Extended Due for Payment Date will (subject to any applicable grace period) be an LLP Event of Default.

The extension period for each Series of Covered Bonds may be for different periods of time. In accordance with the Guarantee Priority of Payments, Covered Bonds with an Extended Due for Payment Date falling one (1) year or less from the relevant LLP Payment Date will be paid in priority to a Series of Covered Bonds with an Extended Due for Payment Date falling more than one (1) year after the relevant LLP Payment Date.

The LLP will be entitled to apply principal collections it receives in respect of the Loans together with the principal proceeds of the sale of any Substitution Assets it holds in order to repay earlier maturing Series of Covered Bonds, which may mean that there may be fewer assets available to support later maturing Series of Covered Bonds.

Covered Bonds subject to Optional Redemption by the Issuer. If an Issuer Call is specified in the applicable Final Terms, the Issuer may elect to redeem all or some of the Covered Bonds at the Optional Redemption Amount (specified in the applicable Final Terms) plus Accrued Interest. An optional redemption feature of Covered Bonds is likely to limit the market value of such Covered

Bonds. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed Rate Covered Bonds. Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds.

Variable Interest Covered Bonds with a multiplier or other leverage factor. Covered Bonds with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Covered Bonds. The Issuer may issue Covered Bonds which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Covered Bonds may be less favourable than the prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing rates on its Covered Bonds.

Covered Bonds issued at a substantial discount or premium. The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Exchange rate risks and exchange controls. The Issuer will pay principal and interest on the Covered Bonds and the LLP will make any payments under the Covered Bond Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Specified Currency (the Investor's Currency). These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Covered Bonds, (b) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (c) the Investor's Currency-equivalent market value of the Covered Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Covered Bonds. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Ratings of the Covered Bonds. The ratings assigned to the Covered Bonds by Fitch address the probability of default and the loss given default under the Covered Bonds and the ratings assigned to the Covered Bonds by Moody's address the expected loss posed to potential investors.

The expected ratings of the Covered Bonds will be set out in the relevant Final Terms for each Series of Covered Bonds. Any Rating Agency may lower its rating or withdraw its rating if, in the sole judgement of the Rating Agency, the credit quality of the Covered Bonds has declined or is in question. In addition, at any time any Rating Agency may revise its relevant rating methodology with the result that, among other things, any rating assigned to the Covered Bonds may be lowered. If any rating assigned to the Covered Bonds is lowered or withdrawn, the market value of the Covered Bonds may be reduced.

The Issuer is exposed to changes in the rating methodologies applied by rating agencies. Any adverse changes of such methodologies may materially and adversely affect the Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension or withdrawal (or, as noted above, revision) at any time. A credit rating may not reflect the potential impact of all of the risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the Covered Bonds. Any downgrade in the rating of the Issuer by the Rating Agencies may have a negative impact on the ratings of the Covered Bonds.

Rating Agency Confirmation in respect of Covered Bonds. The terms of certain of the Transaction Documents provide that, in certain circumstances, the Issuer, a Covered Bond Swap Provider and/or the Interest Rate Swap Provider must, and the Bond Trustee or the Security Trustee may, obtain written confirmation (or, in the case of Moody's, affirmation) from Fitch and Moody's that any action proposed to be taken by the Issuer, the LLP, the Seller, the Servicer, the Cash Manager, a Covered Bond Swap Provider and/or the Interest Rate Swap Provider, the Bond Trustee or the Security Trustee will not adversely affect or cause to be withdrawn the then current ratings of the Covered Bonds (a Rating Agency Confirmation). By acquiring the Covered Bonds, investors will be deemed to have acknowledged and agreed that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to Covered Bondholders, including, without limitation, in the case of a Rating Agency Confirmation or satisfaction of the Rating Condition, whether 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 is either (a) permitted by the terms of the relevant Transaction Document, or (b) in the best interests of, or not materially prejudicial to, some or all of the Covered Bondholders. In being entitled to have regard to the fact that a Rating Agency has confirmed that the then current ratings of the 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 the above does not impose or extend any actual or contingent liability on a Rating Agency to the Issuer, the LLP, the Bond Trustee, the Security Trustee and each of the other 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.

Any such confirmation, affirmation or response by a Rating Agency may be given or not given at the sole discretion of such Rating Agency. It should be noted that, 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 confirmation, affirmation or response by a Rating Agency in the time available or at all, and the Rating Agency will not be responsible for the consequences

thereof. Such 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 securities form part since the issuance closing date. A Rating Agency Confirmation or satisfaction of the Rating Condition represents only a restatement of the opinions given, and is given on the basis that it will not be construed as advice for the benefit of any parties to the transaction.

Issuer liable to make payments when due on the Covered Bonds. The Issuer is liable to make payments when due on the Covered Bonds. The obligations of the Issuer under the Covered Bonds are direct, unsecured, unconditional and unsubordinated obligations, ranking pari passu without any preference among themselves and (subject to applicable law) equally with its other direct, unsecured, unconditional and unsubordinated obligations (save for any obligations to be preferred by law).

The LLP has no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and service by the Bond Trustee on the LLP of a Notice to Pay or, if earlier, following the occurrence of an LLP Event of Default, service by the Bond Trustee of an LLP Acceleration Notice. The occurrence of an Issuer Event of Default does not constitute an LLP Event of Default. However, failure by the LLP to pay amounts when Due for Payment under the Covered Bond Guarantee would constitute an LLP Event of Default which would entitle the Bond Trustee to accelerate the obligations of the Issuer under the Covered Bonds (if they have not already become due and payable) and the obligations of the LLP under the Covered Bond Guarantee and the Security Trustee to enforce the Security.

Obligations under the Covered Bonds. The Covered Bonds will not represent an obligation or be the responsibility of any of the Arranger, the Dealers, the Bond Trustee, the Security Trustee or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer and the LLP. The Issuer and the LLP will be liable solely in their corporate capacity for their obligations in respect of the Covered Bonds and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

Covered Bonds issued under the Programme. Save in respect of the first issue of Covered Bonds issued under the Programme, Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds or have different terms from an existing Series of Covered Bonds (in which case they will constitute a new Series).

All Covered Bonds issued from time to time will, following enforcement of the Security, rank *pari passu* with each other in all respects and will share in the security granted by the LLP under the Deed of Charge. As a result, holders of Covered Bonds issued pursuant to this Prospectus should be aware that they will rank *pari passu* and share in the security granted by the LLP over, *inter alia*, the Portfolio, with holders of Covered Bonds which may be issued by the Issuer in a manner other than pursuant to this Prospectus. Subject as provided in Condition 9 (*Events of Default and Enforcement*) and the Trust Deed, if an Issuer Event of Default occurs in respect of a particular Series of Covered Bonds, the Covered Bonds of all Series outstanding will accelerate at the same time against the Issuer (following service of an Issuer Acceleration Notice) but will be subject to, and have the benefit of, payments made by the LLP under the Covered Bond Guarantee (following service of a Notice to Pay). If an LLP Event of Default occurs, following service of an LLP Acceleration Notice, the Covered Bonds of all Series outstanding will accelerate against the Issuer (if not already accelerated following an Issuer Event of Default) and the obligations of the LLP under the Covered Bond Guarantee will accelerate. In order to ensure that any further issue of Covered Bonds under the Programme does not adversely affect the existing Covered Bondholders:

- the Issuer will be obliged to apply the proceeds of any issue of Covered Bonds to make a Term Advance to the LLP. The LLP will use the proceeds of such Term Advance (after

swapping the same into Sterling if necessary): (i) to acquire Loans and their Related Security from the Seller; and/or (ii) to acquire Substitution Assets up to the prescribed limit to the extent required to meet the requirements of Regulations 23 and 24(1)(a) of the RCB Regulations and the Asset Coverage Test and thereafter may be applied by the LLP:

(a) to purchase Loans and their Related Security, from the Seller in accordance with the terms of the Mortgage Sale Agreement; and/or

(b) to invest in Substitution Assets in an amount not exceeding the prescribed limit; and/or

(c) (subject to complying with the Asset Coverage Test (as described below)) to make a Capital Distribution to a Member; and/or

(d) if an existing Series or Tranche, or part of an existing Series or Tranche, of Covered Bonds is being refinanced (by the issue of a further Series or Tranche of Covered Bonds), to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced; and/or

(e) to make a deposit of all or part of the proceeds in the Deposit Account (including, without limitation, to fund the Reserve Fund to an amount not exceeding the prescribed limit);

- the Asset Coverage Test will be required to be met both before and immediately after any further issue of Covered Bonds; and

- on or prior to the date of issue of any further Covered Bonds, the Issuer will be obliged to obtain written confirmation from the Rating Agencies that such further issue would not adversely affect the then current ratings of the existing Covered Bonds.

Covered Bonds not in physical form. Unless the Bearer Global Covered Bonds or the Registered Global Covered Bonds are exchanged for any Definitive Covered Bonds in bearer form (**Bearer Definitive Covered Bonds**) or Registered Definitive Covered Bonds, respectively, which exchange will only occur in the limited circumstances set out under "*Form of the Covered Bonds – Bearer Covered Bonds*" and "*Form of the Covered Bonds – Registered Covered Bonds*" below, the beneficial ownership of the Covered Bonds will be recorded in book-entry form only with Euroclear and Clearstream, Luxembourg. The fact that the Covered Bonds are not represented in physical form could, among other things:

- result in payment delays on the Covered Bonds because distributions on the Covered Bonds will be sent by or on behalf of the Issuer to Euroclear and Clearstream, Luxembourg instead of directly to Covered Bondholders;

- make it difficult for Covered Bondholders to pledge the Covered Bonds as security if Covered Bonds in physical form are required or necessary for such purposes; and

- hinder the ability of Covered Bondholders to resell the Covered Bonds because some investors may be unwilling to buy Covered Bonds that are not in physical form.

Certain decisions of the Covered Bondholders taken at Programme level. The Bond Trustee may be directed to serve an Issuer Acceleration Notice following an Issuer Event of Default, to serve an LLP Acceleration Notice following an LLP Event of Default, to take any enforcement action or to direct the Security Trustee to take any enforcement action only by an Extraordinary Resolution passed at a single meeting of all the Covered Bondholders of all Series then outstanding or by the

holders of not less than 25% of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding subject, in each case, to being indemnified and/or secured to its satisfaction.

3. RISKS RELATING TO THE ASSET POOL

Limited description of the Portfolio. The Covered Bondholders will not receive detailed statistics or information in relation to the Loans in the Portfolio because it is expected that the constitution of the Portfolio will frequently change due to, for instance:

- the Seller selling Loans and their Related Security (or New Loan Types and their Related Security) to the LLP;
- New Sellers acceding to the Transaction Documents and selling Loans and their Related Security (or New Loan Types and their Related Security) to the LLP; or
- the Seller repurchasing Loans and their Related Security in accordance with the terms of Mortgage Sale Agreement.

There is no assurance that the characteristics of the New Loans assigned to the LLP on a Transfer Date will be the same as those of the Loans in the Portfolio as at that Transfer Date. However, each Loan will be required to meet the Eligibility Criteria and the Representations and Warranties set out in the Mortgage Sale Agreement – see the section of this Prospectus entitled "*Summary of the Principal Documents – Mortgage Sale Agreement – Sale by the Seller of Loans and Related Security*" (although the Eligibility Criteria and Representations and Warranties may change in certain circumstances – see the risk factor entitled "*The Bond Trustee and the Security Trustee may agree to modifications to the Transaction Documents without, respectively, the Covered Bondholders' or Secured Creditors' prior consent*" below). In addition, the Asset Coverage Test is intended to ensure that the Aggregate Adjusted Asset Amount is an amount equal to or in excess of the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding and the Cash Manager will provide monthly reports to the Security Trustee and investors that will set out certain information in relation to the Asset Coverage Test.

Sale of Selected Loans and their Related Security following service of an Asset Coverage Test Breach Notice or a Notice to Pay. If an Asset Coverage Test Breach Notice or a Notice to Pay is served on the LLP (and, in the case of an Asset Coverage Test Breach Notice, for as long as such notice remains outstanding), the LLP will be obliged to sell Selected Loans and their Related Security (selected on a random basis) in order to remedy a breach of the Asset Coverage Test or to make payments to the LLP's creditors, including payments under the Covered Bond Guarantee, as appropriate (see the section of this Prospectus entitled "*Summary of the Principal Documents – LLP Deed – Sale of Selected Loans and their Related Security following service of an Asset Coverage Test Breach Notice*" and "*Summary of the Principal Documents – LLP Deed – Sale of Selected Loans and their Related Security following service of a Notice to Pay*").

There is no guarantee that a buyer will be found to acquire Selected Loans and their Related Security at the times required and there can be no guarantee or assurance as to the price which the LLP may be able to obtain, which may affect the ability of the LLP to make payments under the Covered Bond Guarantee. However, if a Notice to Pay has been served, the Selected Loans may not be sold by the LLP for less than an amount equal to the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds until six (6) months prior to the Final Maturity Date in respect of such Covered Bonds or (if the same is specified as applicable in the relevant Final Terms) the Extended Due for Payment Date in respect of such Covered Bonds. In the six (6) months prior to, as applicable, the Final Maturity Date or Extended Due for Payment Date, as applicable, the LLP is obliged to sell the Selected Loans and their Related Security for the best price reasonably available

notwithstanding that such price may be less than the Adjusted Required Redemption Amount. Where the LLP sells Selected Loans and their Related Security for less than the relevant Adjusted Required Redemption Amount, the LLP may have insufficient funds available to pay all amounts due on the Covered Bonds on the Final Maturity Date or, where applicable, the Extended Due for Payment Date.

Sale of Selected Loans and their Related Security prior to maturity of Hard Bullet Covered Bonds where Pre-Maturity Test is failed or following the occurrence of an Issuer Event of Default. If the Pre-Maturity Test is failed, the LLP is obliged (unless NatWest (in its capacity as a Member of the LLP) chooses to make sufficient Cash Capital Contributions) to sell Selected Loans and their Related Security (selected on a random basis) to seek to generate sufficient cash to enable the LLP to pay the Final Redemption Amount, on any Hard Bullet Covered Bond, should the Issuer fail to pay such amounts (see the section of this Prospectus entitled "*Summary of the Principal Documents – LLP Deed – Sale of Selected Loans and their Related Security if the Pre-Maturity Test is failed*").

There is no guarantee that a buyer will be found to acquire Selected Loans and their Related Security at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect payments under the Covered Bond Guarantee.

Set-off risk may adversely affect the value of the Portfolio or any part thereof. As described above, the sale by the Seller to the LLP of English Loans has been or will be given effect by an equitable assignment, with each sale of Scottish Loans being given effect by a Scottish Declaration of Trust. As a result, legal title to the English Loans and the Scottish Loans and their Related Security sold by the Seller to the LLP will remain with the Seller. Therefore, the rights of the LLP may be subject to the direct rights of the Borrowers against the Seller, including rights of set-off which occur in relation to transactions or deposits made between the Borrowers and the Seller existing prior to notification to the Borrowers of the assignment or assignation (as appropriate) of the Loans.

For instance, set-off rights may arise if the Seller fails to advance to a Borrower a Flexible Loan Drawing when the Borrower is entitled to draw additional amounts under a Flexible Loan, or fails to advance an Additional Loan Advance after having agreed to do so.

If the Seller fails to advance the required sum in accordance with the relevant Loan, then the relevant Borrower may set off any claim for damages (or analogous rights in Scotland) arising from the Seller's breach of contract against the Seller's (and, as equitable assignee of or holder of the beneficial interest in the Loans and the Mortgages in the Portfolio, the LLP's) claim for payment of principal and/or interest under the relevant Loan as and when it becomes due. These set-off claims will constitute transaction set-off, as described in the immediately preceding risk factor.

The amount of any such claim against the Seller will, in many cases, be the cost to the Borrower of finding an alternative source of funds (although, in respect of a Scottish Loan, it is possible, though regarded as unlikely, that the Borrower's rights of set-off could extend to the full amount of the additional drawing). The Borrower may obtain a mortgage loan elsewhere, in which case the damages awarded could be equal to any difference in the borrowing costs together with any direct losses arising from the Seller's breach of contract, namely the associated costs of obtaining alternative funds (for example, legal fees and survey fees). If the Borrower is unable to obtain an alternative mortgage loan, he or she may have a claim in respect of other indirect losses arising from the Seller's breach of contract where there are special circumstances communicated by the Borrower to the Seller at the time the Borrower entered into the Mortgage or which otherwise were reasonably foreseeable.

A Borrower may also attempt to set off an amount greater than the amount of his or her damages claim (or analogous rights in Scotland) against his or her mortgage payments. In that case, the Servicer will be entitled to take enforcement proceedings against the Borrower, although the period of non-payment by the Borrower is likely to continue until a judgment is obtained.

The exercise of set-off rights by Borrowers may adversely affect the realisable value of the Portfolio and/or the ability of the LLP to make payments under the Covered Bond Guarantee. The Asset Coverage Test has been structured to mitigate the potential set-off risk (although there is no assurance that such risks will be accounted for).

Limited recourse to the Seller. The LLP, the Bond Trustee and the Security Trustee will not undertake any investigations, searches or other actions on any Loan or its Related Security and will rely instead on the representations and warranties given in the Mortgage Sale Agreement by the Seller in respect of the Loans sold by it to the LLP.

If any Loan sold by the Seller does not materially comply with any of the representations and warranties made by the Seller as at the Transfer Date of that Loan, then the Seller will be required to notify the LLP and the Security Trustee as soon as reasonably practical after becoming aware of the fact and, upon receipt of a request to do the same from the LLP, remedy the breach within twenty-eight (28) London Business Days of receipt by it of the request.

If the Seller fails to remedy the breach of a representation and warranty within 28 London Business Days, then the Seller will be required (but only prior to the occurrence of an Issuer Event of Default and after the service of a Loan Repurchase Notice) to repurchase on or before the next following LLP Payment Date (or such other date that may be agreed between the LLP and the Seller) the relevant Loan and its Related Security and any other related Additional Loan Advances or Flexible Loan Drawings at their True Balance plus fees, Accrued Interest and Arrears of Interest as of the date of repurchase.

There can be no assurance that the Seller, in the future, will have the financial resources to repurchase a Loan or Loans and its or their Related Security. However, if the Seller does not repurchase those Loans and their Related Security which are in breach of the representations and warranties then the True Balance of those Loans will be excluded from the calculation of the Asset Coverage Test. There is no further recourse to the Seller or the Issuer in respect of a breach of a representation or warranty.

Maintenance of Portfolio. Asset Coverage Test: Pursuant to the terms of the Mortgage Sale Agreement, NatWest (in its capacity as the Seller) agreed to use all reasonable efforts to transfer or procure the transfer of Loans and their Related Security to the LLP in order to ensure that the Portfolio is in compliance with the Asset Coverage Test. The consideration payable to the Seller for the sale of the Loans and Related Security to the LLP will be a combination of: (a) a cash payment paid by the LLP; and/or (b) the Seller (in its capacity as a Member of the LLP) being treated as having made a Capital Contribution to the LLP (in an amount up to the difference between the True Balance of the Loans sold by the Seller to the LLP as at the relevant Transfer Date and the cash payment (if any) paid by the LLP for such Loans); and (c) Deferred Consideration.

Alternatively, NatWest (in its capacity as Member of the LLP) may make a Cash Capital Contribution to the LLP pursuant to the LLP Deed in order to ensure that the LLP is in compliance with the Asset Coverage Test. If a breach of the Asset Coverage Test occurs which is not cured on the next Calculation Date, an Asset Coverage Test Breach Notice will be served on the LLP, which will result in the consequences set out in the section of this Prospectus entitled "*Summary of the Principal Documents – LLP Deed – Asset Coverage Test*". There is no specific recourse by the LLP to NatWest in respect of the failure to sell or procure the sale of Loans and their Related Security to the LLP nor is there any specific recourse to NatWest if it does not make Cash Capital Contributions to the LLP. In addition, Covered Bondholders should be aware that the FCA may take certain actions under the RCB Regulations in relation to NatWest, including prohibiting NatWest from transferring further Loans to the LLP. Any such action may have an adverse effect on the ability of the Issuer and

the LLP to meet its obligations under the Covered Bonds and the Covered Bond Guarantee, as applicable.

Amortisation Test: Pursuant to the LLP Deed, the LLP must ensure that on each Calculation Date following service of a Notice to Pay on the LLP but prior to the service of an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security, the Amortisation Test Aggregate Loan Amount is in an amount at least equal to the aggregate Sterling Equivalent of the Principal Amount Outstanding under the Covered Bonds. The Amortisation Test is intended to ensure that the assets of the LLP do not fall below a certain threshold to ensure that the assets of the LLP are sufficient to meet its obligations under the Covered Bond Guarantee and senior expenses that rank in priority to or *pari passu* with amounts due on the Covered Bonds.

If the collateral value of the Portfolio has not been maintained in accordance with the terms of the Asset Coverage Test or the Amortisation Test, then that may affect the realisable value of the Portfolio or any part thereof (both before and after the occurrence of an LLP Event of Default) and/or the ability of the LLP to make payments under the Covered Bond Guarantee. However, failure to satisfy the Amortisation Test on any Calculation Date following an Issuer Event of Default will constitute an LLP Event of Default, thereby entitling the Bond Trustee to accelerate the Covered Bonds against the Issuer and the LLP's obligations under the Covered Bond Guarantee against the LLP subject to and in accordance with the Conditions.

Prior to the occurrence of an Issuer Event of Default, the Asset Monitor will, subject to receipt of the relevant information from the Cash Manager, test the calculations performed by the Cash Manager in respect of the Asset Coverage Test once each year on the Calculation Date immediately prior to each anniversary of the Initial Programme Date and more frequently in certain circumstances. See further the section of this Prospectus entitled "*Summary of the Principal Documents – Asset Monitor Agreement*".

Loans in the Portfolio may also be subject to geographic concentration risks within certain regions. To the extent that specific geographic regions have experienced or may experience in the future weaker regional economic conditions (due to local, national and/or macroeconomic factors) and weaker housing markets than other regions, a concentration of the Loans in such a region may be expected to exacerbate all of the risks relating to the Loans described in this risk factor. The economy of each geographic region in England, Wales and Scotland is dependent on a different mixture of industries and other factors. Any downturn in a local economy or particular industry may adversely affect the future regional employment levels and consequently the repayment ability of the Borrowers in that region or the region that relies most heavily on that industry. Neither the Issuer nor the LLP can predict when or where such regional economic declines may occur or to what extent or for how long such conditions may continue as described above, thus the ability of the LLP to make payments under the Covered Bond Guarantee could be reduced or delayed.

In addition, any natural disasters or widespread health crises or the fear of such crises (including, but not limited to, Covid-19, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu (or any strain of the foregoing), or other epidemic and/or pandemic diseases) in a particular region may weaken economic conditions and reduce the value of affected Properties and/or negatively impact the ability of the affected Borrowers to make timely payments on the mortgage loans. In addition, governmental action or inaction in respect of, or responses to, any widespread health crises or such potential crises (such as those mentioned previously), whether in the United Kingdom or in any other jurisdiction, may lead to a deterioration of economic conditions both globally and also within the United Kingdom. This may result in a loss being incurred upon the sale of the Property and/or otherwise affect receipts on the mortgage loans. Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters

described in this paragraph and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Covered Bonds.

If the timing of the payments, as well as the quantum of such payments, in respect of the mortgage loans is adversely affected by any of the risks described above, then payments on the Covered Bonds could be reduced and/or delayed and could ultimately result in losses on the Covered Bonds if timing and payment of the Loans is adversely affected by such risks.

Factors that may affect the realisable value of the Portfolio or any part thereof or the ability of the LLP to make payments under the Covered Bond Guarantee. Following the occurrence of an Issuer Event of Default, the service on the Issuer of an Issuer Acceleration Notice and the service on the LLP of a Notice to Pay, the realisable value of Selected Loans and their Related Security comprised in the Portfolio may be reduced (which may affect the ability of the LLP to make payments under the Covered Bond Guarantee) by:

- representations or warranties not being given by the LLP or (unless otherwise agreed with the Seller) the Seller;
- default by Borrowers of amounts due on their Loans;
- the Loans of New Sellers being included in the Portfolio;
- changes to the Lending Criteria of the Seller;
- the LLP not having legal title to the Loans in the Portfolio;
- risks in relation to some types of Loans which may adversely affect the value of the Portfolio or any part thereof;
- limited recourse to the Seller;
- possible regulatory changes by the FCA, the PRA, the Competition and Markets Authority (the **CMA**) and other regulatory authorities; and
- regulations in the UK that could lead to some terms of the Loans being unenforceable, cancellable or subject to set-off.

In order to enforce a power of sale in respect of a mortgaged property in England and Wales, the relevant mortgagee must first obtain possession of the relevant property. Possession is usually obtained by way of a court order or decree. This can be a lengthy and costly process and will involve the mortgagee assuming certain risks. In addition, once possession has been obtained, a reasonable period must be allowed for marketing the property, to discharge obligations and to take reasonable care to obtain a proper price. For details of enforcing a power of sale in respect of a mortgage property in Scotland, please see the section headed "*Further Information Relating to the Regulation of Mortgages in the UK*" – "*Regulated Mortgage Contracts*" – "*Home Owner and Debtor Protection (Scotland) Act 2010*" below. If obtaining possession of properties and arranging a sale in such circumstances is lengthy or costly, the Issuer's ability to make payments on the Covered Bonds may be reduced. The Issuer's ability to make such payments may be reduced further if the powers of a mortgagee in relation to obtaining possession of properties permitted by law are restricted in the future.

Each of these factors is considered in more detail below. However, it should be noted that the Asset Coverage Test, the Amortisation Test and the Eligibility Criteria are intended to ensure that there will be an adequate amount of Loans in the Portfolio and monies standing to the credit of the LLP

Accounts to enable the LLP to repay the Covered Bonds following an Issuer Event of Default, service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay on the LLP and accordingly it is expected (but there is no assurance) that Selected Loans and their Related Security could be realised for sufficient values to enable the LLP to meet its obligations under the Covered Bond Guarantee.

No representations or warranties to be given by the LLP or the Seller if Selected Loans and their Related Security are to be sold. Following a failure of the Pre-Maturity Test, the service of an Asset Coverage Test Breach Notice (which remains outstanding) or the service of a Notice to Pay on the LLP (but in each case prior to the service of a LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security), the LLP will be obliged to sell Selected Loans and their Related Security to third party purchasers, subject to a right of pre-emption enjoyed by the Seller pursuant to the terms of the Mortgage Sale Agreement (see the section of this Prospectus entitled "*Summary of the Principal Documents – LLP Deed – Method of sale of Selected Loans*"). In respect of any sale of Selected Loans and their Related Security to third parties, however, the LLP will not be permitted to give warranties or indemnities in respect of those Selected Loans and their Related Security. There is no assurance that the Seller would give any warranties or representations in respect of the Selected Loans and their Related Security originated or acquired by either of them and sold to the LLP. Any representations or warranties previously given by the Seller in respect of the Loans in the Portfolio sold by it to the LLP may not have value for a third party purchaser if the Seller is then insolvent. Accordingly, there is a risk that the realisable value of the Selected Loans and their Related Security could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the LLP to meet its obligations under the Covered Bond Guarantee.

Default by Borrowers in paying amounts due on their Loans. Borrowers may default on their obligations due under the Loans. Defaults may occur for a variety of reasons. The Loans are affected by credit, liquidity, housing market, economic and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal. Examples of such factors include changes in the national or international economic climate, regional economic (due to local, national and/or global macroeconomic and geopolitical factors as the continuation or escalation of conflicts between Russia and Ukraine and/or in the Middle East, as well as the emergence of other regional conflicts and wars with global impact, or US political risks (including the U.S.' intervention in Venezuela, tariffs, counter-tariffs, export controls, economic sanctions, currency regulations and other changes driven by US trade policy which have in the past and could in the future trigger retaliatory actions by affected countries and otherwise affect global trade and which could, in turn, lead to increased costs and disrupt supply chains), as well as increasing the risk of inflation or other negative impacts on the global economy or certain sectors thereof) or housing conditions, changes in tax laws, interest rates, inflation and the costs of living (including rising energy costs), the availability of financing, periods of stagflation, yields on alternative investments, political developments and government policies, natural disasters and widespread health crises or the fear of such crises (such as Covid-19, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu or other epidemic diseases). Global interest rates have risen from their historic lows, as central banks seek to manage inflation and an increase in interest rates, or the speed at which they rise, may adversely affect Borrowers' ability to pay interest or repay principal on their Loans.

Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Loss of earnings, illness (including any illness arising in connection with an epidemic or pandemic) or widespread health crises or the fear of such crises (such as Covid-19, measles, SARS, Ebola or other epidemic diseases), divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Loans. In addition, the ability of a Borrower to sell a property given as security for a Loan at a price sufficient to repay the amounts outstanding

under that Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the time.

In order to enforce a power of sale in respect of a mortgaged property in England and Wales, the relevant mortgagee must first obtain possession of the relevant property. Possession is usually obtained by way of a court order or decree. This can be a lengthy and costly process and will involve the mortgagee assuming certain risks. In addition, once possession has been obtained, a reasonable period must be allowed for marketing the property, to discharge obligations and to take reasonable care to obtain a proper price. For details of enforcing a power of sale in respect of a mortgage property in Scotland, please see the section headed "*Further Information Relating to the Regulation of Mortgages in the UK*" – "*Regulated Mortgage Contracts*" – "*Home Owner and Debtor Protection (Scotland) Act 2010*" below.

The True Balance of any Defaulted Loans in the Portfolio will be given a reduced weighting for the purposes of any calculation of the Asset Coverage Test and the Amortisation Test.

The Loans of New Sellers may be included in the Portfolio. New Sellers which are members of the NatWest Group may in the future accede to the Programme and sell Loans and their related security to the LLP. However, this would only be permitted if the conditions precedent relating to New Sellers acceding to the Transaction Documents (more fully described under the section of this Prospectus entitled "*Summary of the Principal Documents – Mortgage Sale Agreement – New Sellers*" below) are met. Provided that those conditions are met, the consent of the Covered Bondholders to the accession of any New Seller to the Programme will not be obtained.

Any loans originated by a New Seller will have been originated in accordance with the lending criteria of the New Seller, which may differ from the Lending Criteria of Loans originated by NatWest. If the lending criteria differ in a way that affects the creditworthiness of the loans in the Portfolio, that may lead to increased defaults by Borrowers and may affect the realisable value of the Portfolio or any part thereof or the ability of the LLP to make payments under the Covered Bond Guarantee. As noted above, however, Defaulted Loans in the Portfolio will be given a reduced weighting for the purposes of the calculation of the Asset Coverage Test and the Amortisation Test.

Changes to the Lending Criteria of the Seller. Each of the Loans originated by the Seller will have been originated in accordance with its respective Lending Criteria at the time of origination. It is expected that the Seller's Lending Criteria will generally consider type of property, term of loan, age of applicant, the loan-to-value ratio, status of applicants and credit history. In the event of the sale or transfer of any Loans and Related Security to the LLP, the Seller will warrant only that such Loans and Related Security were originated in accordance with the Seller's (or, in the case of Loans originated by NWHL, NWHL's) Lending Criteria applicable at the time of origination. The Seller retains the right to revise its Lending Criteria from time to time. If the Lending Criteria change in a manner that affects the creditworthiness of the Loans, that may lead to increased defaults by Borrowers and may affect the realisable value of the Portfolio, or part thereof, and the ability of the LLP to make payments under the Covered Bond Guarantee. As noted above, however, Defaulted Loans in the Portfolio will be given a reduced weighting for the purposes of the calculation of the Asset Coverage Test and the Amortisation Test.

The LLP does not have legal title to the Loans in the Portfolio on the relevant Transfer Date. The sale by the Seller to the LLP of English Loans and their Related Security has taken or will take effect by way of an equitable assignment. The sale by the Seller to the LLP of Scottish Loans and their Related Security has been or will be given effect by way of Scottish Declarations of Trust under which the Seller holds the benefit of the Scottish Loans on trust for the benefit of the LLP such that the beneficial interest in such Scottish Loans and their Related Security has been or will be transferred to the LLP. As a result, legal title to English Loans and Scottish Loans and each of their Related Security will remain with the Seller. In respect of Loans sold to the LLP by NWHL prior to

1 November 2012, legal title has been transferred to NatWest. The LLP, however, will have the right to demand that the Seller give it legal title to the Loans originated or acquired by it and the Related Security in the limited circumstances described in the section of this Prospectus entitled "*Summary of the Principal Documents – Mortgage Sale Agreement – Transfer of Title to the Loans to the LLP*" and until such right arises the LLP will not give notice of the sale of the English Loans and their Related Security to any Borrower or apply to the Land Registry or the Central Land Charges Registry to register or record its equitable interest in the Loans and their Related Security or take any steps to perfect its title to the Scottish Loans and their Related Security.

Since the LLP has not obtained legal title to the Loans or their Related Security and has not protected its interest in the English Loans and their Related Security by registration of a notice at the Land Registry or otherwise perfected its legal title to the Loans or their Related Security, the following risks exist:

- first, if the Seller wrongly sells a Loan and its Related Security, which has already been sold to the LLP, to another person and that person acted in good faith and did not have notice of the interests of the LLP in the Loan and its Related Security, then such person might obtain good title to the Loan and its Related Security, free from the interests of the LLP. If this occurred then the LLP would not have good title to the affected Loan and its Related Security and it would not be entitled to payments by a Borrower in respect of that Loan. However, the risk of third party claims obtaining priority to the interests of the LLP would be likely to be limited to circumstances arising from a breach by the Seller of its contractual obligations or fraud, negligence or mistake on the part of the Seller or the LLP or their respective personnel or agents;

- second, the rights of the LLP may be subject to the rights of the Borrowers against the Seller, such as rights of set-off, which occur in relation to transactions or deposits made between Borrowers and the Seller, and the rights of Borrowers to redeem their mortgages by repaying the Loans directly to the Seller; or

- third, unless the LLP has perfected the assignment or assignation (as appropriate) of the Loans and their Related Security (which it is only entitled to do in certain limited circumstances), the LLP would not be able to enforce any Borrower's obligations under a Loan or Mortgage itself but would have to join the Seller as a party to any legal proceedings.

If any of the risks described in the first two scenarios above were to occur then the realisable value of the Portfolio or any part thereof and/or the ability of the LLP to make payments under the Covered Bond Guarantee may be affected.

Once notice has been given to the Borrowers of the assignment or assignation (as appropriate) of the Loans and their Related Security to the LLP, independent set-off rights which a Borrower has against the Seller (for example, set-off rights associated with Borrowers holding deposits with the Seller), will crystallise and further rights of independent set-off would cease to accrue from that date and no new rights of independent set-off could be asserted following that notice. Set-off rights arising under "transaction set-off" (which are set-off claims arising out of a transaction connected with the Loan) will not be affected by that notice and will continue to exist. In relation to potential transaction set-off in respect of the Loans, see the risk factor entitled "*Set-off risk may adversely affect the value of the Portfolio or any part thereof*" below.

It should be noted however, that the Asset Coverage Test seeks to take account of the potential set-off risk associated with Borrowers holding deposits with the Seller (although there is no assurance that all such risks will be accounted for). Further, for so long as the LLP does not have legal title, the Seller will undertake for the benefit of the LLP and the Secured Creditors that it will lend its name to,

and take such other steps as may be reasonably required by the LLP and/or the Security Trustee in relation to, any legal proceedings in respect of the Loans and their Related Security.

Realisation of Charged Property following the occurrence of an LLP Event of Default and service of an LLP Acceleration Notice and/or following the commencement of winding-up proceedings against the LLP. If an LLP Event of Default occurs and an LLP Acceleration Notice is served on the LLP and/or winding-up proceedings are commenced against the LLP, then the Security Trustee will be entitled to enforce the Security created under and pursuant to the Deed of Charge and the proceeds from the realisation of the Charged Property will be applied by the Security Trustee towards payment of all secured obligations in accordance with the Post-Enforcement Priority of Payments, described in "*Cashflows*" below.

There is no guarantee that the proceeds of realisation of the Charged Property will be in an amount sufficient to repay all amounts due to the Secured Creditors (including the Covered Bondholders) under the Covered Bonds and the Transaction Documents.

If an LLP Acceleration Notice is served on the LLP, then the Covered Bonds may be repaid sooner or later than expected or not at all.

Buy-To-Let Loans. There can be no assurance that each Property in relation to which a Buy-to-Let Mortgage Loan has been taken out by a Borrower will be the subject of an existing tenancy when the relevant Loan is acquired by the LLP or that any tenancy which is granted will subsist throughout the life of the Loan and/or that the rental income from such tenancy will be sufficient (whether or not there is any default of payment in rent) to provide the Borrower with sufficient income to meet the Borrower's interest obligations or capital repayments in respect of the Loan.

There can be no assurance that, in the event of a material downturn in the private rental market, the ability to make repayments on the Covered Bonds would not be adversely affected. Such a downturn could be precipitated by a range of factors, which may include (but are not limited to) an expansion of owner-occupied lending should credit conditions continue to loosen and/or legislative changes affecting the sector, such as the introduction of rental caps or the regulation of the market or parts thereof.

Upon enforcement of a Mortgage in respect of a Property which is the subject of an existing tenancy, the Servicer may not be able to obtain vacant possession of the Property, in which case the Servicer will only be able to sell the Property as an investment property with one or more sitting tenants. This may affect the amount which the Servicer could realise upon enforcement of the Mortgage and the sale of the Property. In such a situation, amounts received in rent may not be sufficient to cover all amounts due in respect of the relevant Loan. However, enforcement procedures in relation to such Mortgages include appointing a receiver of rent, in which case such a receiver must collect any rents payable in respect of the Property and apply them accordingly in payment of any interest and arrears accruing under the Loan.

Loans are subject to certain legal and regulatory risks. Certain regulatory risks exist in relation to the Loans, including in relation to the legal and regulatory considerations relating to the Loans and their Related Security, changes in law, regulation, the possibility of complaints by Borrowers in relation to the terms of the Loans and in relation to the policies and procedures of the Seller. If any of these risks materialise, they could have an adverse effect on the Seller, the Issuer or the LLP and could adversely affect the ability of the Issuer to make payments on the Covered Bonds or, if applicable, the LLP's ability to make payment on the Covered Bond Guarantee. Further detail on certain considerations in relation to the regulation of mortgages in the UK is set out in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK*" and certain specific risks are set out below:

Regulation of buy-to-let Mortgages. The exercise of supervisory and enforcement powers by the FCA may adversely affect the Issuer's ability to make payment on the Covered Bonds when due, particularly if the FCA orders remedial action in respect of past conduct. In addition, for those buy-to-let Mortgages regulated by the CCA, non-compliance with certain provisions of the CCA may render a regulated credit agreement totally unenforceable or unenforceable without a court order or an order of the appropriate regulator, or may render the Borrower not liable to pay interest or charges in relation to the period of non-compliance. This may adversely affect the Issuer's ability to make payment on the Covered Bonds when due. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK – Regulation of buy-to-let mortgage loans*".

Regulated Mortgage Contracts. A Borrower who is a private person may be entitled to claim damages for a loss suffered as a result of any contravention by an authorised person of an FCA or a PRA rule, and may set off the amount of the claim against the amount owing by the Borrower under the Loan or any other loan that the Borrower has taken with that authorised person. Any such set off in respect of the Loans may adversely affect the LLP's ability to make payments on the Covered Bond Guarantee. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK – Regulated Mortgage Contracts*".

Guidance Issued by the Regulators. Guidance issued by the regulators has changed over time and it is possible that it may change in the future. No assurance can be given that any changes in legislation, guidance or case law as it relates to the Portfolio will not have a material adverse effect on the Seller, the LLP and/or the Servicer and their respective businesses and operations. There can be no assurance that any such changes (including changes in any regulators' responsibilities) will not affect the Loans. Any such changes (including changes in any regulators' responsibilities) may also adversely affect the Issuer's operating results, financial condition and prospects. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK* ".

Unfair Relationships. If a court has determined that there was an unfair relationship between the lender and the Borrowers in respect of the relevant Loans, except in relation to Regulated Mortgage Contracts, subject to the unfair relationship test and ordered that financial redress was made in respect of such Loans such redress may adversely affect the ultimate amount received by the LLP in respect of the relevant Loans, and the realisable value of the Portfolio and/or the ability of the LLP to make payments under the Covered Bond Guarantee. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK – Unfair relationships*".

Distance Marketing. The DM Regulations allow, in certain specified circumstances, a borrower to cancel a credit agreement it has entered into with lenders without provision of certain required information. If a significant proportion of the Loans are treated as being cancellable under these regulations, there could be an adverse effect on the LLP's receipts in respect of the Loans affecting the LLP's ability to make payments on the Covered Bond Guarantee. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK – Distance marketing*" below.

UTCCR and CRA. The UTCCR and CRA provide that a consumer may, in certain circumstances, challenge a term in an agreement on the basis that it is unfair. The broad and general wording of the UTCCR and CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Loans which have been made to Borrowers covered by the UTCCR and/or the CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans. If any term of the Loans entered into between 1 July 1995 and 30 September 2015 is found to be unfair for the purpose of the UTCCR, this may reduce the amounts available to meet

the payments due in respect of the Covered Bond Guarantee, including by way of non-recovery of a Loan by the Seller or the LLP, a claim made by the Borrower or the exercise by the Borrower of a right of set-off arising as a result of a term of a loan being found to be unfair (and therefore not binding on the consumer) and may adversely affect the LLP's ability to make payments on the Covered Bond Guarantee.

If any term of the Loans entered into on or after 1 October 2015 is found to be unfair for the purpose of the CRA, this may reduce the amounts available to meet the payments due in respect of the Covered Bond Guarantee. No assurance can be given that any changes in legislation, guidance or case law on unfair terms will not have a material adverse effect on the Seller, the LLP and/or the Servicer and their respective businesses and operations. There can be no assurance that any such changes (including changes in the regulators' responsibilities) will not affect the Loans. Further detail in relation to both the UTCCR and the CRA is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK – Unfair Terms in Consumer Contracts Regulations 1994 and 1999 and the Consumer Rights Act 2015*".

Consumer Protection from Unfair Trading Regulations 2008 and the Digital Markets, Competition and Consumers Act 2024: the Consumer Protection from Unfair Trading Regulations 2008 (the CPUTR) prohibits certain practices which are deemed unfair within the terms of the CPUTR. Breach of the CPUTR may lead to liability for misrepresentation or breach of contract in relation to the underlying credit agreements, which may result in irrecoverable losses on amounts to which such agreements apply and which may adversely affect the LLP's ability to make payments on the Covered Bond Guarantee. Further, in May 2024 some parts of the Digital Markets, Competition and Consumers Act 2024 (the **DMCCA**) came into force. From 6 April 2025, the DMCCA has revoked the CPUTR rules and recreated their effect, with some amendments. The new regime has introduced new rules on consumer reviews, drip pricing and consumer vulnerability, new powers to expand the list of automatically unfair practices and a new enforcement regime. The possibility of the new regime having an adverse impact on the Loans cannot be excluded. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK – Consumer Protection from Unfair Trading Regulations 2008 and the Digital Markets, Competition and Consumers Act 2024*" below.

Mortgage Charter. On 26 June 2023, the HM Treasury published the 'Mortgage Charter' in light of the current pressures on households following interest rate rises and the cost-of-living crisis. The Mortgage Charter states that the UK's largest mortgage lenders and the FCA have agreed with the Chancellor a set of standards that they will adopt when helping their regulated mortgage borrowers worried about high interest rates (the **Mortgage Charter**). Natwest is a signatory to the Mortgage Charter and has agreed that, among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment. In addition, lenders will permit borrowers who are up to date with their payments to: (i) switch to interest-only payments for six months (the **MC Interest-only Agreement**); or (ii) extend their mortgage term to reduce their monthly payments and give borrowers the option to revert to their original term within six months by contacting their lender (the **MC Extension Agreement**). These options can be taken by borrowers who are up to date with their payments without a new affordability check or affecting their credit score. The Mortgage Charter commitments do not apply to buy-to-let mortgages. The FCA has amended the Mortgages and Home Finance: Conduct of Business Sourcebook (MCOB) to allow (rather than require) lenders to give effect to the MC Interest-only Agreement and the MC Extension Agreement.

The charter is voluntary and adhering to it will be a decision for lenders to make individually.

There can be no assurance that the FCA or other UK government or regulatory bodies will not take further steps in response to the rising cost of living in the UK, including further amending and extending the scope of the Mortgage Charter or related rules. Such developments may impact the

performance of the Loans, which in turn may adversely affect the ability of the LLP to meet its obligations under the Covered Bond Guarantee. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK – Mortgage Charter".*

Mortgage repossessions. The protocols for mortgage possession claims and the Mortgage Repossessions (Protection of Tenants etc) Act 2010 may have adverse effects in relation to the ability of the Seller to repossess properties, which may be particularly challenging, in markets experiencing above average levels of possession claims. Delays in the initiation of responsive action in respect of the Loans may result in lower recoveries and may adversely affect the ability of the LLP to meet its obligations under the Covered Bond Guarantee. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK – Repossessions*".

FCA Consumer Duty. The consumer duty on regulated firms (the **Consumer Duty**) sets a higher level of consumer protection in retail financial markets. Owing to the outcomes-based nature of the Consumer Duty, how it applies is uncertain. If (for example) the obligations relating to fair value or not causing harm are not met in relation to the Portfolio, it could adversely affect the amounts received or recoverable in relation to the Portfolio and consequently the LLP's ability to make payments under the Covered Bond Guarantee. As the impact of the Consumer Duty on the Loans cannot yet be predicted no assurances can be given that it will not have a material adverse effect on the Seller, the Issuer and the LLP and their respective businesses and operations. This may adversely affect the ability of the Issuer to make payments in full on the Covered Bonds when due. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK" – "FCA Consumer Duty*".

Financial Ombudsman Service. Under the FSMA, the Financial Ombudsman Service (the **Ombudsman**) is required to make decisions on, among other things, complaints relating to activities and transactions under its jurisdiction. The Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a money award to a borrower. Given the way the Ombudsman makes its decisions, it is not possible to predict how any future decision of the Ombudsman would affect the LLP's ability to make payments on the Covered Bond Guarantee.

The Renting Homes (Wales) Act 2016. The Renting Home (Wales) Act 2016 (the **Renting Homes Act**) received royal assent on 18 January 2016 and fully entered into force on 1 December 2022. The Renting Homes Act converts the majority of existing residential tenancies in Wales into an occupation contract with retrospective effect. Subject to certain criteria being met, residential lettings and tenancies granted on or after 1 December 2022 will be 'occupation contracts'. Under the Renting Homes Act, a landlord must, within the requisite time period set out in the act, serve a written statement on the tenant of an occupation contract which sets out certain terms of the occupation contract which are specified in the Act. Where a tenant has breached the occupation contract the minimum notice that must be given to the tenant by the landlord of termination of the contract is one month. The notice period can be shorter where it relates to acts of anti-social behaviour or serious rent arrears. Where a 'no fault' notice is issued, the minimum notice that must be given to a tenant is six months. The Renting Homes Act (which only has effect in Wales) does not contain an equivalent mandatory ground for possession that a lender had under the Housing Act 1988 where a property was subject to a mortgage granted before the beginning of the tenancy and the lender required possession in order to dispose of the property with vacant possession. The Renting Homes Act may result in lower recoveries in relation to buy-to-let mortgage loans over Properties in Wales and may affect the ability of the LLP to make payments on the Covered Bond Guarantee.

Breathing Space Regulations. The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (SI 2020/1311) (**Breathing Space Regulations**) (which came into force on 4 May 2021) gives eligible individuals in England and Wales the right to legal protection from their creditors, including almost all enforcement action,

during a period of "breathing space". However, the Breathing Space Regulations do not apply to mortgages, except for arrears which are uncapitalised at the date of the application under the Breathing Space Regulations. Interest can still be charged on the principal secured debt during the breathing space period, but not on the arrears. Any mortgage arrears incurred during any breathing space period are not protected from creditor action. The Borrower must continue to make mortgage payments in respect of any mortgage secured against their primary residence (save in respect of arrears accrued prior to the moratorium) during the breathing space period, otherwise the relevant debt adviser may cancel the breathing space period. There is a risk that delays in the initiation of enforcement action in respect of the Loans may result in lower recoveries and may adversely affect the ability of the LLP to meet its obligations under the Covered Bond Guarantee. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK – Breathing Space Regulations*".

Energy Efficiency Regulations 2015

On 4 December 2024, the government launched a consultation with respect to reforming the energy performance of buildings framework.

On 7 February 2025, the government launched a consultation on improving the energy performance of privately rented homes. This consultation sought views on government's proposal to amend the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (from now on referred to as 'the PRS Regulations'). It also sought views on changes to the Energy Act 2011, the primary legislation which gives government the powers to amend the PRS Regulations.

Minimum energy efficiency standards (**MEES**) in the private rented sector (**PRS**) have been required since 2018. These standards require properties to be at an Energy Performance Certificate E or above in order to be let out, unless a valid exemption applies. The government are considering options to raise energy efficiency standards in the domestic PRS to make homes easier to heat, tackling fuel poverty and lowering carbon emissions. The government have stated that the recently published consultation on the future of Energy Performance Certificates provides an opportunity to ensure that new standards in the PRS incentivise the right measures for each home. In this 2025 PRS consultation, the government sought stakeholder views on the approach to new PRS standards. The government published their response to the 2025 PRS Consultation on 21 January 2026. Government will proceed with seeking to amend the PRS Regulations to implement higher MEES, using new metrics to be introduced to EPCs as set out in the Reforms to the Energy Performance of Buildings regime consultation. Private rented homes will be required to meet a primary standard set against the fabric performance metric on new EPCs and a secondary standard set against either the smart readiness metric or the heating system metric on new EPCs. The decision of which secondary standard the property should meet will be at the discretion of the landlord. Private landlords of all tenancies will be required to comply with the higher standard (EPC C or equivalent) by 1 October 2030. Landlords of privately rented homes will continue to be required to comply with the existing minimum standard of EPC E up until the point they are required to comply with the higher standard.

The introduction of these measures may adversely affect the private residential rental market in England, Wales and Scotland in general, or the ability of individual Borrowers of Buy-to-Let Loans to meet their obligations under those Loans. Further, such measures may prompt Borrowers to re-finance their Loans or sell the underlying Property which may adversely affect the ability of the LLP to meet its obligations under the Covered Bond Guarantee. Further detail is included in the section headed "*Further Information Relating to the Regulation of Mortgages in the UK – Matters relating to buy-to-let Loans"* below.

Representations and Warranties given by the Seller. The Seller will give Representations and Warranties to the LLP in the Mortgage Sale Agreement that, among other things, each of its Loans and their Related Security is enforceable (subject to exceptions). If a Loan or its Related Security

does not comply with these Warranties and, if the default cannot be or is not cured within the time periods specified in the Mortgage Sale Agreement, then the Seller will, upon receipt of notice from the LLP, be solely liable to repurchase the relevant Loan(s) and their Related Security from the LLP in accordance with the Mortgage Sale Agreement. Any failure by the Seller to repurchase the relevant Loan(s) could have an adverse effect of the quality of the Asset Pool which in turn could affect the ability of the Covered Bondholders to receive all amounts due on the Covered Bonds.

4. RISKS RELATING TO REGULATION OF THE COVERED BONDS

UK regulated covered bond regime. On 1 April 2010, RBS was admitted to the register of issuers and the Programme was admitted to the register of regulated covered bonds. National Westminster Bank Plc as the Issuer was admitted to the register of issuers on 26 June 2017.

The FCA may take certain actions in respect of the Issuer and/or the LLP under the RCB Regulations. Such actions include directing the winding-up of the LLP, removing the Issuer from the register of issuers (but pursuant to the RCB Regulations, a regulated covered bond may not be removed from the relevant register prior to the expiry of the whole period of validity of the relevant covered bond), directing the Issuer and/or the LLP to take specified steps for the purpose of complying with the RCB Regulations and/or imposing a financial penalty of such amount as it considers appropriate in respect of the Issuer or the LLP and/or restricting the ability of the Seller to transfer further loans to the LLP and directing the Issuer to publish information given to the FCA under the RCB Regulations. Moreover, the bodies which regulate the financial services industry in the UK may take certain actions in respect of issuers using their general powers under the UK regulatory regime (including restricting an issuer's ability to transfer further assets to the asset pool). There is a risk that any such regulatory action may reduce the amounts available to pay Covered Bondholders.

With respect to the risks referred to above, see also "*Cashflows*" and "*Description of the UK Regulated Covered Bond Regime*" below for further details.

Changes or uncertainty in respect of EURIBOR, SONIA, SOFR and/or other interest rate benchmarks may affect the value, liquidity or payment of interest under the Covered Bonds. Interest rates and indices which are deemed to be "benchmarks" (including EURIBOR, SONIA and SOFR) are the subject of ongoing national, international and other regulatory guidance and reform aimed at supporting the transition to robust benchmarks. Most reforms have now reached their planned conclusion, and “benchmarks” remain subject to ongoing monitoring. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Covered Bonds referencing such a benchmark.

Regulation (EU) 2016/1011 as amended (the **EU Benchmarks Regulation**), applies subject to certain transitional provisions to the provision of in-scope benchmarks, the contribution of input data to an in-scope benchmark and the use of an in-scope benchmark within the EU. In particular, the EU Benchmarks Regulation, among other things, (i) requires in-scope benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of in-scope benchmarks of administrators that are not authorised or registered (or, if non-EU-based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**), among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The administrators of SONIA and SOFR are not currently required to obtain authorisation/registration and neither SONIA nor SOFR falls within the scope of the EU Benchmarks Regulation or the UK Benchmarks Regulation by virtue of Article 2 of those regulations. The administrator of EURIBOR appears on the register of administrators and benchmarks established and maintained by each of ESMA and the FCA.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Covered Bonds linked to or referencing a benchmark which is in-scope of one or both regulations, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark. More broadly, any of the international or national reforms, or the general increased scrutiny of benchmarks, could increase the costs and risk for administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

In addition, Regulation 2025/914, which amends the EU Benchmarks Regulation, will apply from January 1, 2026. One of the key changes to the regime is that only benchmarks perceived to have the greatest economic relevance for the EU market will be in mandatory scope of the core provisions of the new regime. Such benchmarks will be those defined as critical or significant (determined based on quantitative or qualitative criteria), EU Paris-aligned benchmarks, EU Climate Transition benchmarks, and certain commodity benchmarks which will remain in scope of the mandatory application of the core provisions of the revised EU Benchmarks Regulation. An exemption will apply for certain FX benchmarks.

Other benchmarks will fall out of mandatory EU Benchmarks Regulation scope (other than certain limited provisions including in relation to statutory replacement of a benchmark, connected with cessation and/or non-representativeness). Whilst there is a risk that benchmarks falling out of scope of the revised regime (which have not been opted-in) will no longer be regulated in the same way from 1 January 2026 and which may therefore be less robust, resilient or transparent, this change in scope is not expected to have any material impact on instruments referencing SONIA (such as the Covered Bonds) whose administrator is a central bank and is therefore exempt from the provisions applicable to administrators as a result of Article 2 of the EU Benchmarks Regulation (and the equivalent provision of the UK Benchmarks Regulation).

A statement is included in this Prospectus as to whether or not, as far as the Issuer is aware, the relevant administrator or the "benchmark" is included in ESMA's register of administrators under Article 36 of the EU Benchmarks Regulation and/or the FCA's register of administrators under Article 36 of the UK Benchmarks Regulations. Investors should note however that whilst such statement will be given as of the date of this Prospectus, the Issuer will not have ongoing notification obligations in relation to the status of the administrator or benchmark on ESMA's or the FCA's register of benchmarks thereafter, other than where such disclosure is required under the EU Benchmarks Regulation following the issue of public notice in relation to a significant benchmark.

The UK Benchmarks Regulation is also expected to be repealed and reformed in the near future. It remains to be seen what, if any, changes will be proposed and consequently what, if any, impact any such changes may have on the Securities.

Separately, the euro risk free rate working group for the euro area has published a set of guiding principles and high-level recommendations for fallback provisions in, among other things, new euro-denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021,

the euro risk-free rate working group published its recommendations on the EURIBOR fallback trigger events and fallback rates. The recommended fallback triggers include both cessation and pre-cessation triggers, including, inter alia, permanent cessation of non-representativeness and (potentially) unlawfulness triggers (the working group recommended against a material change in the EURIBOR methodology as defined by the European Money Markets Institute (EMMI) being an automatic trigger).

It is not possible to predict with certainty whether, and to what extent, any relevant benchmark will continue to be supported going forwards. This may cause such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. The potential transition from one benchmark to another benchmark, or changes in the manner of administration of any benchmark (including EURIBOR, SOFR and SONIA), could require an adjustment to the Terms and Conditions of the Covered Bonds, or result in other consequences, in respect of any Covered Bonds referencing such benchmark.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Covered Bonds linked to, referencing or otherwise dependent (in whole or in part) upon, a benchmark.

Based on the foregoing, prospective investors should in particular be aware that:

(a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including EURIBOR, SONIA and SOFR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be, particularly market participants and relevant working groups are exploring alternative reference rates based on SONIA, therefore there is a risk that the market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in relation to the Covered Bonds that reference SONIA;

(b) if EURIBOR, SONIA or SOFR is discontinued or is otherwise unavailable, then the rate of interest on the Covered Bonds will be determined for a period by the fallback provisions provided for under Condition 4 (*Interest*) of the Terms and Conditions of the Covered Bonds, although such provisions in respect of EURIBOR, being dependent in part upon the provision by reference banks of offered quotations for leading banks in the Eurozone interbank market, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when EURIBOR was available;

(c) whilst an amendment may be made under Condition 14(d) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) in the Terms and Conditions of the Covered Bonds to change the EURIBOR, SONIA or SOFR rate (as applicable) on the relevant Floating Rate Covered Bonds to an alternative base rate under certain circumstances broadly related to EURIBOR, SONIA or SOFR (as applicable) dysfunction or discontinuation there can be no assurance that any such amendment will be made or, if made, that it (i) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the relevant Floating Rate Covered Bonds or (ii) will be made prior to any date on which any of the risks described in this risk factor may become relevant; and

(d) if EURIBOR, SONIA or SOFR or any other relevant interest rate benchmark is discontinued, there can be no assurance that the applicable fallback provisions under the Swap Agreements would operate to allow the transactions under the Swap Agreements to fully or effectively mitigate interest rate risk in respect of the Covered Bonds.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Covered Bonds and/or the Swap Agreements due to applicable fallback provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Covered Bonds.

Moreover, any of the above matters or any other significant change to the setting or existence of EURIBOR, SONIA, SOFR or any other relevant interest rate benchmark could affect the ability of the Issuer or the LLP to meet its obligations under the Covered Bonds and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Covered Bonds. Changes in the manner of administration of EURIBOR, SONIA, SOFR or any other relevant interest rate benchmark could result in adjustment to the Conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequences in relation to the Covered Bonds. No assurance may be provided that relevant changes will not occur with respect to EURIBOR, SONIA, SOFR or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Covered Bonds.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Covered Bonds in making any investment decision with respect to the Covered Bonds.

The Secured Overnight Financing Rate used to calculate SOFR may be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Covered Bonds. SOFR is published by the Federal Reserve Bank of New York (the **Federal Reserve**) and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. The Federal Reserve reports that the Secured Overnight Financing Rate includes all trades in the Broad General Collateral Rate, plus bilateral Treasury repurchase agreement transactions cleared through the delivery-versus-payment service offered by the Fixed Income Clearing Corporation (the **FICC**), a subsidiary of the Depository Trust and Clearing Corporation (**DTCC**). The Secured Overnight Financing Rate is filtered by the Federal Reserve to remove a portion of the foregoing transactions considered to be "specials".

The Federal Reserve reports that the Secured Overnight Financing Rate is calculated as a volume-weighted median of transaction-level tri-party repurchase agreement data collected from The Bank of New York Mellon as well as General Collateral Finance repurchase agreement transaction data and data on bilateral Treasury repurchase transactions cleared through the FICC's delivery-versus-payment service. The Federal Reserve notes that it obtains information from DTCC Solutions LLC, an affiliate of DTCC. The Federal Reserve notes on its publication page for the Secured Overnight Financing Rate that use of the Secured Overnight Financing Rate is subject to important limitations and disclaimers, including that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of the Secured Overnight Financing Rate at any time without notice.

Because the Secured Overnight Financing Rate is published by the Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or

publication. There can be no guarantee that the Secured Overnight Financing Rate will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Covered Bonds linked to SOFR. If the manner in which the Secured Overnight Financing Rate is calculated is changed, that change may result in a reduction of the amount of interest payable on Floating Rate Covered Bonds linked to SOFR and the trading prices of such Covered Bonds. If the rate at which interest on Floating Rate Covered Bonds linked to SOFR accrues on any day declines to zero or becomes negative, no interest will be payable on such Covered Bonds in respect of that day.

The Federal Reserve began to publish the Secured Overnight Financing Rate in April 2018. The Federal Reserve has also begun publishing historical indicative Secured Overnight Financing Rates going back to 2014. Investors should not rely on any historical changes or trends in the Secured Overnight Financing Rate as an indicator of future changes in the Secured Overnight Financing Rate. Also, since the Secured Overnight Financing Rate is a relatively new market index, Floating Rate Covered Bonds linked to SOFR will likely have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to the Secured Overnight Financing Rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of Floating Rate Covered Bonds linked to SOFR may be lower than those of later-issued indexed debt securities as a result. Similarly, if the Secured Overnight Financing Rate does not prove to be widely used in securities like the Floating Rate Covered Bonds linked to SOFR, the trading price of such Covered Bonds may be lower than those of bonds linked to indices that are more widely used. Investors in Floating Rate Covered Bonds linked to SOFR may not be able to sell such Covered Bonds at all or may not be able to sell such Covered Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk.

5. RISKS RELATING TO COUNTERPARTIES

Reliance of the LLP on third parties. The LLP has entered into agreements with a number of third parties, which have agreed to perform services for the LLP. In particular, but without limitation, the Servicer has been appointed to service Loans in the Portfolio sold to the LLP, the Cash Manager has been appointed to calculate and monitor compliance with the Asset Coverage Test and the Amortisation Test and to provide cash management services to the LLP and the Deposit Account and Transaction Account will be held with the Account Bank and the Swap Collateral Accounts will be held by the Swap Collateral Account Bank. In the event that any of those parties fails to perform its obligations under the relevant agreement to which it is a party, the realisable value of the Portfolio or any part thereof or pending such realisation (if the Portfolio or any part thereof cannot be sold) the ability of the LLP to make payments under the Covered Bond Guarantee may be affected. For instance, if the Servicer has failed to adequately administer the Loans, this may lead to higher incidences of non-payment or default by Borrowers. The LLP is also reliant on the Swap Providers to provide it with the funds matching its obligations under the Intercompany Loan Agreement and the Covered Bond Guarantee, as described below.

If a Servicer Event of Default occurs pursuant to the terms of the Servicing Agreement, then the LLP and/or the Security Trustee will be entitled to terminate the appointment of the Servicer to whom such default relates and appoint a new servicer in its place. The LLP has appointed the Back-Up Servicer Facilitator to assist the LLP in appointing a back-up or replacement servicer. However, there can be no assurance that a substitute servicer with sufficient experience of administering mortgages of residential properties would be found who would be willing and able to service the Loans on the terms of the Servicing Agreement. In addition, as described below, any substitute servicer will be required to be authorised under the FSMA. The ability of a substitute servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute

servicer may affect the realisable value of the Portfolio or any part thereof, and/or the ability of the LLP to make payments under the Covered Bond Guarantee. However, if NatWest in its capacity as Servicer ceases to be assigned a long-term, unsecured, unguaranteed and unsubordinated debt obligation rating by Moody's of at least Baa3 or by Fitch of at least BBB- it will use reasonable efforts to enter, within sixty (60) calendar days of such downgrade, into a back-up servicing agreement with a suitable third party to perform all the Services under the Servicing Agreement. The back-up servicing agreement will provide for such suitably experienced third party servicer to undertake the servicing obligations in relation to the Portfolio within sixty (60) calendar days of NatWest ceasing to be assigned a long-term, unsecured, unguaranteed and unsubordinated debt obligation rating of Moody's of at least Ba2 or by Fitch of at least BB or a servicer termination event under the Servicing Agreement.

The Servicer has no obligation itself to advance payments that Borrowers fail to make in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Agreement.

The performance of any such third parties may also be affected by economic, social, political and other factors, such as changes in the national or international economic climate, regional economic conditions, changes in laws, political developments and government policies, natural disasters, illness (including illnesses from epidemics or pandemics) and widespread health crises or the fear of such crises (such as Covid-19, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu, or other epidemic diseases), which may result in a material delay or default in the performance of certain services in relation to the Covered Bonds by such third parties.

Neither the Security Trustee, the Bond Trustee nor the Back-Up Servicer Facilitator is obliged in any circumstances to act as a servicer or to monitor the performance by the Servicer of its obligations.

Reliance on Swap Providers. To provide a hedge against possible variances in the rates of interest payable on the Loans in the Portfolio (which may, for instance, include variable rates of interest, discounted rates of interest, fixed rates of interest or rates of interest which track a base rate and a compounded daily SONIA rate, the LLP has entered into the Interest Rate Swap Agreement with the Interest Rate Swap Provider. In addition, to provide a hedge against interest rate and currency risks in respect of amounts received by the LLP under the Loans and the Interest Rate Swaps and amounts payable by the LLP on the outstanding Term Advances or (following service on the LLP of a Notice to Pay) under the Covered Bond Guarantee in respect of the Covered Bonds, the LLP will, where necessary, enter into a Covered Bond Swap Agreement, in respect of certain Series or Tranches of Covered Bonds, with each Covered Bond Swap Provider.

If the LLP fails to make timely payments of amounts due under any Swap Agreement (except where such failure is caused by the assets available to the LLP on a relevant payment date being insufficient to make the required payment in full), then, subject to any applicable grace periods, it will have defaulted under that Swap Agreement and the Swaps governed by such Swap Agreement may be terminated. Further, a Swap Provider is only obliged to make payments to the LLP as long as and to the extent that the LLP complies with its payment obligations under the relevant Swap Agreement. If a Swap terminates or the Swap Provider is not obliged to make payments or if it defaults on its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the LLP on the payment date under the Swap Agreements, the LLP will be exposed to changes in the relevant currency exchange rates to Sterling (where relevant) and/or to any changes in the relevant rates of interest. Unless (a) replacement swap(s) is/are entered into, the LLP may have insufficient funds to make payments under the Intercompany Loan Agreement or Covered Bond Guarantee.

If a Swap terminates, then the LLP may be obliged to make a termination payment to the relevant Swap Provider. There can be no assurance that the LLP will have sufficient funds available to make

a termination payment under the relevant Swap Agreement, nor can there be any assurance that the LLP will be able to find a replacement swap counterparty which has sufficiently high ratings as may be required by any of the Rating Agencies and which agrees to enter into a replacement swap agreement.

If the LLP is obliged to pay a termination payment under any Swap Agreement, such termination payment will rank (a) ahead of amounts due on the Covered Bonds in respect of the Interest Rate Swaps prior to the service of an LLP Acceleration Notice, the commencement of winding-up proceedings against the LLP and/or realisation of the Security and (b) *pari passu* with amounts due on the Covered Bonds in respect of (i) the Covered Bond Swaps; and (ii) the Interest Rate Swaps following service of an LLP Acceleration Notice, the commencement of winding-up proceedings against the LLP and/or realisation of the Security, except where default by, or downgrade of, the relevant Swap Provider in accordance with the terms of the relevant Swap Agreement has caused the relevant Swaps to terminate. The obligation to pay a termination payment may adversely affect the ability of the LLP to meet its obligations under the Covered Bond Guarantee.

Change of counterparties. The parties to the Transaction Documents who receive and hold monies pursuant to the terms of such documents (such as the Account Bank) are required to satisfy certain criteria in order that they can continue to receive and hold monies.

These criteria include requirements imposed under the FSMA and current rating criteria published by the Rating Agencies from time to time in relation to the short-term, unguaranteed and unsecured ratings ascribed to such party by Fitch and Moody's. If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria detailed above, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the LLP) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the Transaction Documents.

In addition, should the applicable criteria cease to be satisfied, the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Covered Bondholders may not be required in relation to such amendments and/or waivers.

6. RISKS RELATING TO STRUCTURAL AND DOCUMENTATION CHANGES

The Bond Trustee and the Security Trustee may agree to modifications to the Transaction Documents without, respectively, the Covered Bondholders' or Secured Creditors' prior consent. Pursuant to Condition 14 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*), and certain provisions of the Trust Deed and the Deed of Charge, the Bond Trustee has the ability to agree to or direct the Security Trustee to agree to certain modifications, waivers and authorisations under the Covered Bonds (including, without limitation, the N Covered Bonds) and the Transaction Documents (including the waiver of any Issuer Event of Default and/or LLP Event of Default) without consultation with, or the consent or sanction of the Covered Bondholders or the other Secured Creditors.

Subject as provided in Condition 14 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) and the Trust Deed, the Bond Trustee must, or must direct the Security Trustee to, agree to modifications, waivers and authorisations as referred to above if so directed by (a) an Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series or (b) the holders of not less than 25% of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series.

In the case of the waiver of an Issuer Event of Default or an LLP Event of Default, the relevant one or more Series will be all Series taken together as a single Series. In all other cases referred to above, the relevant one or more Series will be those Series which, in the opinion of the Bond Trustee, are affected by the modification, waiver or authorisation, taken together as a single Series if, in the opinion of the Bond Trustee, there is no conflict between the interests of the Covered Bondholders of the affected Series, but otherwise taken separately.

See further Condition 14 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) for more particulars of the modification, waiver and authorisation provisions applicable to the Covered Bonds.

Covered Bondholders will be deemed to have consented to certain modifications to the Transaction Documents so long as at least 10% of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds have not contacted the Bond Trustee in writing. In addition to the right of the Bond Trustee to make certain modifications to the Transaction Documents without the consent of Covered Bondholders described under "*–The Bond Trustee and the Security Trustee may agree to modifications to the Transaction Documents without, respectively, the Covered Bondholders' or Secured Creditors' prior consent*", the Bond Trustee shall, without any consent or sanction of the Covered Bondholders or any of the other Secured Creditors, concur with the Issuer in making any modification (other than a Series Reserved Matter) to the Trust Deed, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security for the purpose of changing the Reference Rate to an Alternative Base Rate as further described in Condition 14(d) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) on the relevant Series of Covered Bonds outstanding (and such other amendments as are necessary or advisable in the reasonable judgement of the Issuer to facilitate such change, such amendments do not constitute a Series Reserved Matter) to the extent there has been or there is reasonably expected to be a material disruption or cessation to SONIA or EURIBOR, in each case subject to the satisfaction of certain requirements, including receipt by the Bond Trustee of a Base Rate Modification Certificate, certifying, among other things, that the modification is required for its stated purpose.

The Issuer must provide at least 30 days' notice to the Covered Bondholders of the proposed modification in accordance with Condition 13 (*Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Covered Bonds and Covered Bondholders representing at least 10% of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds then outstanding have not contacted the Bond Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Covered Bonds may be held) within such notification period notifying the Bond Trustee that such Covered Bondholders do not consent to the modification. If Covered Bondholders representing at least 10% of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds then outstanding have notified the Bond Trustee in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Covered Bonds may be held) by the time specified in such notice that such Covered Bondholders do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Covered Bondholders of the relevant Series then outstanding is passed in favour of the Base Rate Modification in accordance with Condition 14(d) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*). However, in the absence of such a notification, all Covered Bondholders will be deemed to have consented to such modification and the Bond Trustee shall, subject to the requirements of Condition 14(d) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*), without seeking further consent or sanction of any of the Covered Bondholders and irrespective of whether such modification is or may be materially prejudicial to the interest of the Covered Bondholders, concur with the Issuer in making the proposed modification.

Therefore, it is possible that a modification relating to the Reference Rate could be made without the vote of any Covered Bondholders taking place, even if Covered Bondholders holding less than 10% of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds then outstanding objected to it. In addition, Covered Bondholders should be aware that, unless they have made arrangements to promptly receive notices sent to Covered Bondholders from any custodians or other intermediaries through which they hold their Covered Bonds and give the same their prompt attention, Meetings may be convened or resolutions (including Extraordinary Resolutions) may be proposed and considered and passed or rejected or deemed to be passed or rejected without their involvement even if, were they to have been promptly informed, they would have voted in a different way from the Covered Bondholders which passed or rejected the relevant proposal or resolution. There can therefore be no assurance that the interests of Covered Bondholders will not ultimately be adversely affected in certain circumstances by such a modification despite any objections raised.

Security Trustee's and Bond Trustee's powers. In the exercise of its duties, powers, trusts, authorities and discretions the Security Trustee shall only have regard to the interests of the Covered Bondholders. In the exercise of its duties, powers, trusts, authorities and discretions, the Security Trustee shall not act on behalf of the Seller.

In having regard to the interests of the Covered Bondholders, the Security Trustee shall be entitled to rely solely on a written confirmation from the Bond Trustee as to whether, in the opinion of the Bond Trustee, any matter, action or omission is or is not in the interests of or is not prejudicial or materially prejudicial to the interests of, the Covered Bondholders. The Bond Trustee shall have sole responsibility for resolving conflicts of interest as between the Covered Bondholders or any Series or class of them, subject to and in accordance with the provisions of the Trust Deed and the Conditions.

If, in connection with the exercise of its powers, trusts, authorities or discretions, the Bond Trustee is of the opinion that the interests of the Covered Bondholders 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 Series of Covered Bondholders by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least 25% of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding.

7. MACROECONOMIC AND MARKET RISKS

A secondary market in the Covered Bonds may not continue or develop further. No assurance is provided that there is an active and liquid secondary market for the Covered Bonds, and there can be no assurance that a secondary market for the Covered Bonds will continue or develop further. The Covered Bonds have not been, and will not be, registered under the Securities Act or any other applicable securities laws of any other territory or jurisdiction of the United States, and are subject to certain restrictions on the resale and other transfer thereof as set forth under "Subscription and Sale and Transfer and Selling Restrictions". To the extent that a secondary market exists or develops further, it may not continue for the life of the Covered Bonds or it may not provide Covered Bondholders with liquidity of investment with the result that a Covered Bondholder may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the Covered Bondholder to realise a desired yield. Consequently, a Covered Bondholder must be able to bear the economic risk of an investment in a Covered Bond for an indefinite period of time.

The market in relation to SONIA as a reference rate for Floating Rate Covered Bonds is subject to change and development. Where the applicable Final Terms for a Series of Covered Bonds identifies that the Rate of Interest for such Covered Bonds will be determined by reference to SONIA, the Rate of Interest will be determined on the basis of Compounded Daily SONIA (as defined in the Conditions). The use of SONIA as a reference rate for Eurobonds has become increasingly utilised by market participants, however remains subject to change and development,

both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Covered Bonds that reference a SONIA rate issued under this Prospectus. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across other markets, such as the derivatives and loan markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Covered Bonds referencing Compounded Daily SONIA. Interest on Covered Bonds which reference a SONIA rate is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Covered Bonds which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Covered Bonds. Some investors may be unable or unwilling to trade such Covered Bonds without changes to their IT systems, both of which could adversely impact the liquidity of such Covered Bonds. Further, if the Floating Rate Covered Bonds become due and payable under Condition 9 (*Events of Default and Enforcement*), the Rate of Interest payable shall be determined on the date on which the Covered Bonds became due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Covered Bonds.

Eligibility of the Covered Bonds for central bank schemes is subject to the applicable collateral framework criteria and could have an impact on the liquidity of the Covered Bonds in general. Whilst central bank schemes (such as the Bank of England's Discount Window Facility, the Indexed Long-Term Repo Facility and other schemes under its Sterling Monetary Framework, and the Eurosystem monetary policy framework for the European Central Bank), including emergency liquidity operations introduced by central banks in response to a financial crisis or a wide-spread health crisis, provide an important source of liquidity in respect of eligible securities, relevant eligibility criteria for eligible collateral apply (and will apply in the future) under such schemes and liquidity operations. Investors should make their own conclusions and seek their own advice with respect to whether or not the Covered Bonds constitute eligible collateral for the purposes of any of the central bank liquidity schemes, including whether and how such eligibility may be affected by the UK withdrawal from the EU and the UK no longer being part of the EEA. No assurance is given that any Covered Bonds will be eligible for any specific central bank liquidity schemes. If the Covered Bonds cannot meet the relevant central bank eligibility criteria, it may impact on the liquidity of the Covered Bonds and could have an adverse effect on their value.

8. LEGAL AND REGULATORY RISKS

Changes of law. The structure of the issue of the Covered Bonds and the ratings which are to be assigned to them are based on English law (and, in relation to the Scottish Loans, Scots law) in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to English law, Welsh law or Scots law (including any change in regulation which may occur without a change in primary legislation) or administrative practice (including, without limitation, the impact of any relevant change in law or practice relating to tax) after the date of this Prospectus, nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Covered Bonds or the ability of the LLP to make payments under the Covered Bond Guarantee.

No assurance can be given that additional regulations or guidance from the regulators, or any other regulatory authority will not arise with regard to the mortgage market in the UK generally (including without limitation, in relation to matters arising from MMR or changes to the FCA's MCOB rules), the Seller's particular sector in that market or specifically in relation to the Seller. Any such action or

developments or compliance costs may have a material adverse effect on the Loans, the Seller, the LLP, the Issuer and/or the Servicer and their respective businesses and operations. This may adversely affect the ability of the LLP to dispose of the Portfolio or any part thereof in a timely manner and/or the realisable value of the Portfolio or any part thereof and accordingly affect the ability of the LLP to meet its obligations under the Covered Bond Guarantee when due.

Insolvency proceedings and subordination provisions. There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, several cases have focused on provisions involving the subordination of a swap counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "flip clauses"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of Excluded Swap Termination Amounts.

The UK Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this however, the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. However, a subsequent 2016 U.S. Bankruptcy Court decision held that in certain circumstances, flip clauses are protected under the Bankruptcy Code and therefore enforceable in bankruptcy. The 2016 decision was affirmed on 14 March 2018 by the U.S. District Court for the Southern District of New York, which 2018 decision was further affirmed on 11 August 2020 by the United States Court of Appeals for the Second Circuit. The implications of these conflicting judgments are not yet known.

If a creditor of the LLP (such as a swap counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the U.S.), and it is owed a payment by the LLP, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law-governed Transaction Documents (such as a provision of the Priorities of Payment which refers to the ranking of a swap counterparty's payment rights in respect of Excluded Swap Termination Amounts). In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as a swap counterparty, including U.S.-established entities and certain non-U.S.-established entities with assets or operations in the U.S. (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a U.S. state). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Covered Bondholders, the market value of the Covered Bonds and/or the ability of the LLP to satisfy its obligations under the Covered Bond Guarantee.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of Excluded Swap Termination Amounts, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Covered Bonds. If any rating assigned to the Covered Bonds is lowered, the market value of the Covered Bonds may reduce.

Expenses of insolvency officeholders. Under the RCB Regulations, following the realisation of any asset pool security (excluding circumstances where there is a concurrent winding-up of the LLP)

certain costs and expenses are payable out of the fixed and floating charge assets of the LLP in priority to the claims of other Secured Creditors (including the Covered Bondholders). Such costs and expenses are also payable out of the floating charge assets of the LLP (but it would appear not out of the fixed charge assets) in priority to the claims of the other Secured Creditors in a winding-up of the LLP and/or in an administration of the LLP. Such costs and expenses include disbursements made by the officeholder (including an administrative receiver, liquidator or administrator) in respect of costs in relation to certain senior service providers and hedge counterparties and also general expenses incurred in the corresponding insolvency proceedings in respect of the LLP (which could include any corporation tax charges). This is a departure from the general position under English law which provides that the expenses of any administration and the expenses of any liquidation only rank ahead of a holder of a floating charge (but not ahead of the claims of a fixed charge-holder).

It is intended that the LLP should be a bankruptcy-remote entity and a provision has been included in the Deed of Charge such that, in certain post-enforcement scenarios in circumstances where the RCB Regulations apply to the LLP, each Secured Creditor agrees in effect that (among other things) if it receives certain subordinated amounts in respect of any secured liabilities owed to it other than in accordance with the Post-Enforcement Priority of Payments (referred to under "*Cashflows*" below) then such amounts will be held on trust for the Security Trustee and paid over to the Security Trustee immediately upon receipt so that such amounts may be applied in accordance with that priority of payments. Notwithstanding such provision, assuming that the RCB Regulations will apply, there is a risk that in certain circumstances the relevant provisions of the RCB Regulations will result in a reduction in the amounts available to pay Covered Bondholders. In particular, it is not possible to bind third parties (such as HMRC) in relation to such subordination provisions.

See also the risk factor described below under "*Liquidation Expenses*".

Fixed charges may take effect under English law as floating charges. Pursuant to the terms of the Deed of Charge, the LLP has purported to grant fixed charges over, among other things, its interests in the English Loans and their Related Security, the Substitution Assets and its rights and benefits in the LLP Accounts and all Authorised Investments purchased from time to time.

The law in England and Wales relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the LLP may take effect under English law as floating charges only, if, for example, it is determined that the Security Trustee does not exert sufficient control over the Charged Property for the security to be said to constitute fixed charges. If the charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets. In particular, the "prescribed part" (referred to below), the expenses of any administration and/or winding-up and the claims of any preferential creditors would rank ahead of the claims of the Security Trustee in this regard. Although the Enterprise Act 2002 abolished the preferential status of certain Crown debts (including the claims of the UK tax authorities), since 1 December 2020, certain amounts owed to the UK tax authorities constitute secondary preferential debts and rank ahead of the recoveries to floating charge holders. These measures apply to taxes effectively collected by a debtor on behalf of the tax authorities and include amounts in respect of PAYE, employee national insurance contributions and construction industry scheme deductions. However, certain employee claims (in respect of contributions to pension schemes and wages) still have preferential status. In this regard, it should be noted that the LLP has agreed in the Transaction Documents not to have any employees.

In addition, any administrative receiver, administrator or liquidator appointed in respect of the LLP will be required to set aside the prescribed percentage or percentages of the floating charge realisations in respect of the floating charges contained in the Deed of Charge.

Under Scots law the concept of fixed charges taking effect as floating charges does not arise and accordingly there is no equivalent risk in relation to the Scottish Loans and their Related Security.

English law security and insolvency considerations. The LLP entered into the Deed of Charge on the Initial Programme Date, pursuant to which it granted the Security in respect of its obligations under the Covered Bond Guarantee (as to which, see "*Transaction Documents – Deed of Charge*"). In certain circumstances, including the occurrence of certain insolvency (or certain pre-insolvency) events in respect of the LLP, the ability to realise the Security may be delayed and/or the value of the Security impaired. In particular, it should be noted that significant changes to the UK insolvency regime were enacted under the Corporate Insolvency and Governance Act 2020. The changes include, among other things: (i) the introduction of a new moratorium regime that certain eligible companies can obtain which will prevent creditors from taking certain action against the company for a specified period; (ii) a ban on operation of or exercise of ipso facto clauses preventing (subject to exemptions) termination, variation or exercise of other rights under a contract due to a counterparty entering into certain insolvency or restructuring procedures; and (iii) a new compromise or arrangement under Part 26A of the Companies Act 2006 (the **Restructuring Plan**) that provides for ways of imposing a restructuring on creditors and/or shareholders without their consent (a so-called cross-class cram-down procedure), subject to certain conditions being met and with a court adjudicating on the fairness of the restructuring proposal as a whole in determining whether or not to exercise its discretionary power to sanction the Restructuring Plan. Whilst the Issuer and the LLP are expected to be exempt from the application of the new moratorium regime and the ban on ipso facto clauses, there is no statutory guidance on how the legislation will be interpreted and the Secretary of State may by regulations modify the exceptions. For the purposes of the Restructuring Plan, it should also be noted that there are currently no exemptions, but the Secretary of State may by regulations provide for exclusion of certain companies providing financial services and the UK government has expressly provided for changes to the Restructuring Plan to be effected through secondary legislation, particularly in relation to the cross-class cram-down procedure. It is therefore possible that aspects of the legislation may change.

Whilst the transaction structure is designed to minimise the likelihood of the LLP becoming insolvent and/or subject to pre-insolvency restructuring proceedings, no assurance can be given that any modification of the exceptions from the application of the new insolvency reforms referred to above will not be detrimental to the interests of the Covered Bondholders and there can be no assurance that the LLP will not become insolvent and/or the subject of insolvency or pre-insolvency restructuring proceedings and/or that the Covered Bondholders would not be adversely affected by the application of insolvency laws (including English insolvency laws and, if appropriate, Scottish insolvency laws or the laws affecting creditors' rights generally).

In addition, it should be noted that, to the extent that the assets of the LLP are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of sections 174A, 176ZA and 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy expenses of the insolvency proceeding, the claims of Secured Creditors under the Deed of Charge may be used to satisfy any claims of unsecured creditors or creditors who otherwise take priority over floating charge recoveries. Whilst certain of the covenants given by the LLP in the Transaction Documents are intended to ensure it has no significant creditors other than the secured creditors under the Deed of Charge, it will be a matter of fact as to whether the LLP has any other such creditors at any time. There can be no assurance that the Covered Bondholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security.

Pursuant to the modifications made by the RCB Regulations to (among other things) the Insolvency Act 1986, the provisions set out above in respect of Section 176A will not apply with respect to the LLP and its floating charge assets.

Liquidation Expenses. Under the Insolvency Act 1986 the costs and expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of

the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to provisions set out in the Insolvency (England and Wales) Rules 2016 (as amended) as applied to LLPs by virtue of the Insolvency (Miscellaneous Amendments) Regulations 2017 (SI2017/1119).

It appears that the provisions referred to above apply in respect of limited liability partnerships in general and/or to owners under the RCB Regulations. Therefore, in a winding-up of the LLP (whether or not the RCB Regulations apply), floating charge realisations which would otherwise be available to satisfy the claims of Secured Creditors under the Deed of Charge may be reduced by at least a significant proportion of any liquidation expenses (including certain super-priority expenses, if the RCB Regulations apply to the LLP). There can be no assurance that the Covered Bondholders will not be adversely affected by such a reduction in floating charge realisations.

Limited Liability Partnerships. The LLP is a limited liability partnership. Limited liability partnerships, created by statute pursuant to the Limited Liability Partnerships Act 2000 (the LLPA 2000), are bodies corporate for general English law purposes and have unlimited capacity. A general description of limited liability partnerships is set out below under "*Description of Limited Liability Partnerships*". This area of the law is relatively undeveloped. Accordingly, there is a risk that as the law develops, new case law or new regulations made under or affecting the LLPA 2000 or relating to limited liability partnerships could adversely affect the ability of the LLP to perform its obligations under the Transaction Documents which could, in turn, adversely affect the interests of the Covered Bondholders.

Potential effects of any additional regulatory changes. In the United Kingdom and elsewhere, there is continuing political and regulatory scrutiny of the banking industry and, in particular, retail banking. In the UK, the FCA, the PRA and the CMA have recently carried out several enquiries. In recent years there have been several issues in the UK financial services industry in which the FCA has intervened directly, including the sale of personal pensions and the sale of mortgage-related endowments. No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the mortgage market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the NatWest Group and its businesses and operations. This may adversely affect the Issuer's or the LLP's (as the case may be) ability to make payments in full when due on the Covered Bonds.

Banking Act 2009. The Banking Act 2009, as amended (the **Banking Act**), includes provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of certain UK incorporated entities, including authorised deposit-taking institutions and certain authorised investment firms, and powers to take certain resolution actions in respect of UK branches of third country institutions. Relevant transaction parties for these purposes include the Issuer, the Seller, the Servicer, the Account Bank, the Interest Rate Swap Provider, the Cash Manager, the Principal Paying Agent or the Registrar. In addition, powers may be used in certain circumstances in respect of UK established banking group companies, where such companies are in the same group as a relevant UK or third-country institution.

The tools available under the Banking Act include share and property transfer powers (including powers for partial property transfers), bail-in powers, certain ancillary powers (including powers to modify contractual arrangements in certain circumstances) and special insolvency procedures which may be commenced by the UK authorities. It is possible that the extended tools described above could be used prior to the point at which an application for insolvency proceedings with respect to a relevant entity could be made and, in certain circumstances, the UK authorities may exercise broad

pre-resolution powers in respect of relevant entities with a view to removing impediments to the exercise of the stabilisation tools.

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the Banking Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the United Kingdom. The Banking Act includes provisions related to compensation in respect of instruments and orders made under it. In general, there is considerable uncertainty about the scope of the powers afforded to authorities under the Banking Act and how the UK authorities may choose to exercise them.

If an instrument or order were to be made under the provisions of the Banking Act currently in force in respect of the a relevant entity described above, such action may (among other things) affect the ability of the relevant entities to satisfy their obligations under the Transaction Documents (including limiting the capacity to meet any repayment obligations) and/or result in the cancellation, modification or conversion of certain unsecured liabilities of such entity under the Transaction documents, including any unsecured portion of the liability in respect of the Covered bonds at the relevant time and/or in other modifications to the Terms and Conditions of the Covered Bonds and/or the Transaction Documents. In particular, modifications may be made pursuant to powers permitting (i) certain trust arrangements to be removed or modified, (ii) contractual arrangements between relevant entities and other parties to be removed, modified or created where considered necessary to enable a transferee in the context of a property or share transfer to operate the transferred business effectively and (iii) in connection with the modification of an unsecured liability through use of the bail-in tool (including any unsecured portion of the liability in respect of the Covered Bonds at the relevant time), the reduction of the relevant liability (including to zero) and/or the discharge of a relevant entity from further performance of its obligations under a contract. In addition, subject to certain conditions, powers would apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined "default events" have occurred (which events may include trigger events included in the Transaction Documents in respect of the relevant entities, including termination events and (in respect of the Seller) trigger events in respect of perfection of legal title to the Loans and the Issuer Events of Default). As a result, the making of an instrument or order in respect of the Issuer, the Seller, the Servicer, the Account Bank, a Swap Collateral Account Bank, the Interest Rate Swap Provider, a Covered Bond Swap Provider, the Cash Manager, the Principal Paying Agent or the Registrar may affect the ability of the LLP to meet its obligations under the Covered Bond Guarantee and/or otherwise adversely affect the rights and interests of the Covered Bondholders.

At present, the UK authorities have not made an instrument or order under the Banking Act in respect of the entities referred to in the preceding paragraph and there has been no indication that any such instrument or order will be made, but there can be no assurance that this will not change and/or that Covered Bondholders will not be adversely affected by any such instrument or order if made. Whilst there is provision for compensation to be ordered in certain circumstances under the Banking Act, there can be no assurance that Covered Bondholders would recover compensation promptly and equal to any loss actually incurred. It should also be noted that any extraordinary public financial support provided to a relevant institution through any stabilisation action (such as temporary public ownership) would likely only be used by the UK authorities as a last resort only after having assessed and exploited, to the maximum extent practicable, the resolution tools and powers described above.

As noted above, the stabilisation tools may be used in respect of certain banking group companies provided certain conditions are met. If the LLP was regarded to be a banking group company and no exclusion applied, then it would be possible in certain scenarios for the relevant authority to exercise one or more relevant stabilisation tools (including the property transfer powers and/or the bail-in powers) in respect of it, which could result in reduced amounts being available to make payments under the Covered Bond Guarantee and/or in the modification, cancellation or conversion of any

unsecured portion of the liability of the LLP under the Covered Bond Guarantee at the relevant time. In this regard, it should be noted that the UK authorities have provided an exclusion for covered bond vehicles, which exclusion is expected to extend to the LLP, although aspects of the relevant provisions are not entirely clear.

Lastly, as a result of the Directive 2014/59/EU (the **BRRD**) providing for the establishment of an EEA-wide framework for the recovery and resolution of credit institutions and investment firms and any relevant national implementing measures, it is possible that an institution with its head office in an EEA state and/or certain group companies could be subject to certain resolution actions in that other state. Once again, any such action may affect the ability of any relevant entity to satisfy its obligations under the Transaction Documents and there can be no assurance that Covered Bondholders will not be adversely affected as a result.

Regulatory initiatives and reforms may have an adverse impact on the regulatory treatment of the Covered Bonds. In Europe, the U.S. and elsewhere, there is significant focus on fostering greater financial stability through increased regulation of financial institutions and their corresponding capital and liquidity positions. This has resulted in a number of regulatory initiatives which are currently at various stages of implementation and which may have an impact on the regulatory position for certain investors in covered bond exposures and/or on the incentives for certain investors to hold covered bonds, and may thereby affect the liquidity of such securities. Investors in the Covered Bonds are responsible for analysing their own regulatory position and none of the Issuer, the Guarantor, the Lead Managers, the Dealer(s) or the Arranger makes any representation to any prospective investor or purchaser of the Covered Bonds regarding the treatment of its investment on the date of issuance of any Covered Bond or at any time in the future.

In particular, it should be noted that the Basel Committee on Banking Supervision (**BCBS**) has approved a series of significant changes to the Basel framework for prudential regulation (such changes being referred to by the BCBS (and colloquially) as **Basel III** in respect of reforms finalised prior to 7 December 2017 and referred to as **Basel 3.1** or **Basel IV** in respect of reforms finalised on or following that). Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks), a fundamental review of the trading book and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the **Liquidity Coverage Ratio** and the **Net Stable Funding Ratio**). BCBS member countries agreed to implement the initial phase of the Basel III reforms from 1 January 2013 and the second phase from (after a Covid-related deferral) 1 January 2023, subject to transitional and phase-in arrangements for certain requirements. As implementation of Basel III requires national legislation, the final rules and the timetable for their implementation in each jurisdiction, as well as the treatment of covered bonds, may be subject to some level of national variation. A number of major jurisdictions are implementing the reforms, or aspects of the reforms, with significant delays relative to the internationally agreed timetable.

It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in the EEA. Prospective investors should therefore make themselves aware of the requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Covered Bonds. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Prospective investors should therefore make themselves aware of the requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition any other applicable regulatory requirements with respect to their investment in the Covered Bonds. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

The PRA published its second near-final Policy Statement on the implementation of Basel 3.1, PS 9/24, on 12 September 2024. PS 9/24 introduces changes to the risk weight treatment that applies to certain covered bonds. Should covered bonds meet the definition of a "CRR covered bond" (CRR covered bonds are, among other things, issued by a credit institution with its registered office in the UK) and be secured by exposures which meet the collateral eligibility criteria (including additional requirements for immovable property collateral), they may qualify for lower risk weighting. No assurance is made as to whether the Covered Bonds meet the definition of the CRR covered bonds and prospective investors should therefore make themselves aware of any applicable regulatory matters with respect to their investment in the Covered Bonds.

It should also be noted that, from 8 July 2022, regulation of covered bonds in the EEA has been reformed under: (i) the covered bond directive (**EU CBD**, Directive (EU) 2019/2162) that (subject to certain grandfathering provisions) replaced article 52(4) of the Directive 2009/65/EC (the **UCITS Directive**) and established a revised common base-line for issue of covered bonds for EEA regulatory purposes (subject to various options that members states may choose to exercise in their national laws, which leads to variation of applicable requirements in practice); and (ii) amendments to article 129 (and certain related provisions) of the Capital Requirements Regulation (**EU CRR**) that further strengthens the criteria for covered bonds that benefit from preferential capital treatment under the EU CRR regime.

It should be noted that the EU CBD mandates the European Commission to submit several reports to the European Parliament and the Council on the implementation of the EU covered bond framework (and various other related matters, including the introduction of a third country equivalence regime), that may be accompanied with legislative proposals, if appropriate. For these purposes, and in response to a call for advice from the European Commission, the European Banking Authority (**EBA**) published in September 2025 its report on the review of the EU covered bond framework, advising further harmonisation of various requirements and recommending certain parameters for the introduction of a third country equivalence regime that would result in overseas covered bonds meeting applicable criteria (which include certain conditions on reciprocity) being eligible for preferential regulatory treatment in the EEA. Whether the European Commission will adopt all or any of the EBA recommendations and whether (or when) any further legislative amendments will be introduced to the EU covered bond framework remain to be seen.

Whilst the EU covered bond reforms may incentivise the governments and regulators to introduce similar changes in the domestic framework, no assurances or predictions can be made as to the precise effect of any such future reforms on the Covered Bonds, including whether (or when) the third country equivalence regime may be introduced in the EEA and, if such regime is introduced, whether it will benefit the Covered Bonds.

The EU CBD and the EU CRR amendments do not have direct application in the UK. Any further EU covered bond reforms may or may not incentivise the UK government or the UK regulators to introduce similar changes in the UK framework. It should be noted, however, that as part of Basel 3.1 implementation in the UK and the revocation of certain assimilated EU laws, HM Treasury has put forward a new policy and a new legislative initiative relating to the introduction of an overseas prudential requirements regime (**OPRR**) which will replace existing UK CRR equivalence regimes. Under this initiative it is anticipated that certain overseas covered bonds designated under the OPRR will be subject to preferential regulatory treatment in the UK. In February 2026, further detail on the OPRR has been published for consultation, which included HM Treasury draft statutory instrument and the PRA proposals on certain limited amendments to it rulebook. However, further consultations on the new regime are expected in due course and at this stage it has not yet been confirmed which third country jurisdictions (and when) will be designated for the purposes of third country covered bond eligibility for better prudential treatment in the UK. This development is also relevant from the perspective of the assessment of the UK for equivalence in the EEA, if the European Commission

takes forward the EBA recommendations on the introduction of the third country covered bond equivalence regime noted above. However, there can be no assurances or predictions made at this stage as to the precise effect of this UK initiative on the Covered Bonds.

In addition, as the UK is no longer part of the EEA, after 31 December 2020, preferential regulatory treatment under article 129 of the EU CRR will not be available in respect of the Covered Bonds. Furthermore, the Covered Bonds are not grandfathered under the currently applicable EU covered bond framework, given that the EU CBD provides for permanent grandfathering for article 52(4) UCITS Directive-compliant covered bonds issued by an issuer with its registered office in an EU member state before the relevant application date, provided there is continued supervision by the relevant designated competent authority in the EU (similar grandfathering provisions are also provided for in the EU CRR). The Covered Bonds may be eligible as Level 2A assets under Delegated Regulation (EU) 2018/1620 (as amended), provided certain equivalence and transparency requirements are met, as to which no assurances are made and prospective investors should therefore make themselves aware of the changes in addition to any other applicable regulatory requirements with respect to their investment in the Covered Bonds.

EU CRA Regulation and UK CRA Regulation. One or more independent credit rating agencies may assign credit ratings to the Covered Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Covered Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings issued by a credit rating agency for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation, and unless the rating is provided by a credit rating agency operating in the EU or the UK before 7 June 2010 which has submitted an application for registration in accordance with the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third-country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third-country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third-country non-UK credit rating agencies, third–country credit ratings can either be: (a) endorsed by a UK-registered credit rating agency; or (b) issued by a third-country credit rating agency that is certified in accordance with the UK CRA Regulation. Note that this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Covered Bonds changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the

rating for regulatory purposes in the EEA or the UK, as applicable, and the Covered Bonds may have a different regulatory treatment, which may impact the value of the Covered Bonds and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Pensions Act 2004. Under the Pensions Act 2004, a person that is "connected with" or an "associate" of an employer under an occupational pension scheme can be subject to either a contribution notice or a financial support direction. NatWest is an employer under an occupational scheme and also a member of the LLP. On this basis, the LLP is likely to be treated as "connected with" NatWest.

A contribution notice could be served on the LLP if it were party to an act, or a deliberate failure to act: (a) that has caused a material detriment to the pension scheme (whether or not intentionally); or (b) the main purpose or one of the main purposes of which was either (i) to prevent the recovery of the whole or any part of a debt which was, or might become, due from the employer under section 75 of the Pensions Act 1995 or (ii) otherwise than in good faith, to prevent such a debt becoming due, to compromise or otherwise settle such a debt, or to reduce the amount of such a debt which would otherwise become due.

A financial support direction could be served on the LLP where the employer is either a service company or insufficiently resourced. An employer is insufficiently resourced if the value of its resources is less than 50% of the pension scheme's deficit calculated on an annuity buy-out basis and there is a connected or associated person whose resources at least cover that difference. A financial support direction can only be served where the pensions regulator considers it is reasonable to do so, having regard to a number of factors.

As a result of the UK Supreme Court decision in *Re Nortel, Re Lehman Companies* [2013] UKSC 52, if the pensions regulator issued a financial support direction or contribution notice against the LLP then, depending on when such a direction or notice was issued (and regardless of whether the LLP was in liquidation or administration, as the case may be, at that time), any corresponding liability would not be treated as an expense of the administration or liquidation (as the case may be). As a result, such a claim would be treated as an ordinary unsecured debt and such claim would not rank in priority to, or *pari passu* with, the rights and claims of the Security Trustee under the Deed of Charge with respect to any charged asset.

If a contribution notice or financial support direction were to be served on the LLP, this could adversely affect investors in the Covered Bonds.

Volcker Rule. Section 13 of the U.S. Bank Holding Company Act of 1956, as amended (the **BHC Act**), as implemented by final regulations (together known as the **Volcker Rule**) generally prohibits "banking entities" (defined broadly to include U.S. banks, bank holding companies and non-U.S. banking organisations that are subject to the BHC Act, in each case, together with their respective subsidiaries and other Affiliates) from: (a) engaging in proprietary trading, (b) acquiring or retaining an ownership interest in, or sponsoring, a "covered fund" and (c) entering into certain transactions with a "covered fund" for which the banking entity or an Affiliate acts as investment manager, investment adviser, commodity trading adviser, or sponsor, such as, among others, loans and other types of extensions of credit, guarantees, letters of credit and derivative transactions giving rise to "credit exposure" to a covered fund, in each case, subject to certain exemptions and exclusions. A "covered fund" is defined broadly in the Volcker Rule and includes, among other things, any entity which would be an "investment company" (as defined under Section 3 of the Investment Company Act) but is exempt from registration therefrom solely in reliance on either Section 3(c)(1) or 3(c)(7) of the Investment Company Act. The LLP has not registered, and the LLP believes it is not necessary for it to register, with the U.S. Securities and Exchange Commission as an investment company pursuant to the Investment Company Act in reliance on the exemptions afforded by Section 3(c)(5)(C) of the Investment Company Act, although other exemptions or exclusions may be

applicable. If the U.S. Securities and Exchange Commission did take a contrary position this could result in any relevant investor being subject to enforcement proceedings from the U.S. Securities and Exchange Commission.

Any prospective investor in the Covered Bonds, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

General Impact of UK EMIR and EU EMIR on the Interest Rate Swaps and Covered Bond Swaps. The derivatives markets are subject to extensive regulation in a number of jurisdictions, including in the UK pursuant to Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on over-the-counter (**OTC**) derivatives, central counterparties and trade repositories as it forms part of English law (**UK EMIR**) and in the EU pursuant to Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (**EU EMIR**), each as amended from time to time. UK EMIR and EU EMIR establish certain requirements for OTC derivatives contracts, including (i) a mandatory clearing obligation for certain classes of OTC derivatives contracts (the **Clearing Obligation**), (ii) margin posting, daily valuation and other risk-mitigation techniques for OTC derivatives contracts not cleared by a central counterparty (the **Risk Mitigation Requirements**), and (iii) certain reporting requirements (the **Reporting Obligation**). Prospective investors should also note that uncertainty remains as to the full impact on the Interest Rate Swap Agreement and the Covered Bond Swap Agreements of ongoing reforms to UK EMIR and EU EMIR.

Under UK EMIR and EU EMIR, counterparties can be classified as (i) financial counterparties (**FCs**) (which includes a sub-category of small FCs) and (ii) non-financial counterparties (**NFCs**) whose positions, together with the positions of all other non-financial counterparties in their "group" (as defined in UK EMIR or EU EMIR, as applicable), in OTC derivatives (excluding hedging positions) exceed a specified clearing threshold (**NFC+s**). Whereas FCs (excluding small FCs) and NFC+ entities must clear in-scope OTC derivatives contracts that are entered into on or after the effective date for the relevant Clearing Obligation, such an obligation does not apply in respect of non-financial counterparties that are not NFC+ entities (**NFC-s**). In addition, in respect of the Reporting Obligation, UK FCs are solely responsible and legally liable for reporting the details of OTC derivative contracts concluded with UK NFC-s on behalf of both counterparties as well as for ensuring the correctness of the reported details (known as mandatory reporting). Note that the calculation of the UK EMIR clearing threshold (together with other aspects of UK EMIR) may be impacted in due course by reforms although the scope of the UK EMIR reforms is yet to be confirmed. In an EU context, the calculation of the clearing threshold (together with other aspects of EU EMIR) has been impacted by as a result of Regulation (EU) 2024/2987 (**EU EMIR 3.0**). However, the implementation of changes to the calculation of the clearing threshold under EU EMIR 3.0 is subject to the development of secondary legislation which is not currently expected to be finalised and become applicable until 2026 at the earliest.

OTC derivatives contracts entered into by NFC+ and FC entities (and/or third country equivalent entities) with each other that are not cleared by a central counterparty may be subject to the relevant margining requirement and the relevant daily valuation obligation under UK EMIR and EU EMIR. On the basis that the LLP is an NFC- for the purposes of UK EMIR and a third country equivalent to an NFC- (a **TCE NFC-**) for the purposes of EU EMIR, although a change in its position cannot be ruled out, OTC derivatives contracts that are entered into by the LLP are not subject to the Clearing Obligation or any margining requirements under UK EMIR and EU EMIR.

OTC derivatives contracts that are not cleared by a central counterparty are also subject to certain other Risk Mitigation Requirements, including arrangements for timely confirmation of OTC derivatives contracts, portfolio reconciliation, dispute resolution and arrangements for monitoring the value of outstanding OTC derivatives contracts. These requirements are already in effect. In order to

comply with certain of these Risk Mitigation Requirements, the LLP includes appropriate provisions in each Swap Agreement and the related Transaction Documents. In respect of the Reporting Obligation, mandatory reporting would also cease to apply which means that the LLP would be legally liable and responsible for its own reporting obligations under UK EMIR (although this requirement can be delegated).

Impact of change of the LLP's counterparty status under UK EMIR and EU EMIR. In respect of the impact of UK EMIR and EU EMIR, if the LLP's status changes to an NFC+ or FC for the purposes of UK EMIR and/or a third country equivalent of an NFC+ or FC (a **TCE NFC+** or a **TCE FC** respectively) for the purposes of EU EMIR, this may result in the application of the relevant Clearing Obligation or (more likely) the relevant margining requirements and the relevant daily valuation obligation under the Risk Mitigation Requirements (the **Margin Obligation**), as it seems unlikely that any of the Swap Agreements would be a relevant class of OTC derivatives contract that would be subject to the Clearing Obligation under UK EMIR and/or EU EMIR to date. Certain other of the Risk Mitigation Requirements may also apply in a different way (for example, the portfolio reconciliation requirement may increase in frequency). In respect of the Reporting Obligation, mandatory reporting would also cease to apply which means that the LLP would be legally liable and responsible for its own reporting obligations under UK EMIR (although this requirement can be delegated). It should be noted that the relevant Margin Obligation should not apply in respect of swaps entered into prior to the relevant application date, unless such a swap is materially amended or novated on or after that date. Where the relevant swap counterparty is a UK entity, an exemption from the Clearing Obligation under UK EMIR/or EU EMIR and a partial exemption in respect of the Margin Obligation under UK EMIR/or EU EMIR may be available in respect of the Interest Rate Swaps and Covered Bond Swaps, provided that certain conditions are satisfied.

Pursuant to the partial exemption in respect of the Margin Obligation, initial margin does not need to be posted or collected, but the LLP would be required to collect variation margin in the form of cash from its swap counterparty under in-scope Swap Agreements and return cash collected when due. If it was necessary and possible for the LLP to rely on this partial exemption, this requirement may increase the costs of entering into Swap Agreements for the LLP.

The exemption from the Clearing Obligation and partial exemption from the Margin Obligation are only likely to become relevant should the status of the LLP change from an NFC- to an NFC+ or FC under UK EMIR and/or a change from a TCE NFC- to a TCE NFC+ or TCE FC for the purposes of EU EMIR and, if clearing is applicable, should the Interest Rate Swaps and Covered Bond Swaps be regarded as a type that is subject to the relevant Clearing Obligation. Should the status of the LLP change from a TCE NFC- to a TCE NFC+ or TCE FC under EU EMIR and the relevant swap counterparty is an EU entity, from an EU EMIR perspective, there are no covered bond exemptions available to the LLP.

Furthermore, if the LLP's status as an NFC- for the purposes of UK EMIR and/or TCE NFC- for the purposes of EU EMIR changes and the LLP is unable to rely on the relevant conditional exemptions, this may adversely affect the ability of the LLP to continue to be party to Swap Agreements (possibly resulting in restructuring or termination of the Swap Agreements) or to enter into Swap Agreements, thereby negatively affecting the ability of the LLP to hedge certain risks. This may also reduce the amounts available to make payments with respect to the Covered Bonds.

Finally, the Bond Trustee shall be obliged, without the consent of the holders of any of the Covered Bonds or any other Secured Creditor (other than any Secured Creditor party to the relevant Transaction Document to be amended), to concur with the Issuer and/or the LLP, and/or direct the Security Trustee to concur with the Issuer and/or the LLP, in making any modifications to the Transaction Documents and/or Conditions of the Covered Bonds that are requested by the Issuer and/or the LLP in order to enable the Issuer to comply with any requirements which apply to it under EU EMIR or and/UK EMIR and such modifications may adversely affect your interests (see risk

factor "*Risks relating to Structural and Documentation Changes – The Bond Trustee and the Security Trustee may agree to modifications to the Transaction Documents without, respectively, the Covered Bondholders' or Secured Creditors' prior consent*").

FORM OF THE COVERED BONDS

The Covered Bonds of each Series will be in either bearer form, with or without Coupons and/or Talons attached, or registered form, without Coupons and/or Talons attached. The Covered Bonds will be issued outside the United States in reliance on the Securities Act ("**Regulation S**") and Registered Covered Bonds will be issued both outside the United States to non-U.S. persons in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S and within the United States or to, or for the account or benefit of, QIBs in reliance on Rule 144A or otherwise in private transactions that are exempt from or not subject to the registration requirements of the Securities Act and any applicable state or local securities laws.

Bearer Covered Bonds

Each Tranche of Bearer Covered Bonds will be initially issued in the form of a temporary global covered bond without Coupons attached (a **Temporary Global Covered Bond**) or, if so specified in the applicable Final Terms (the **applicable Final Terms**), a permanent global covered bond without Coupons attached (a **Permanent Global Covered Bond** and, together with the Temporary Global Covered Bonds, the **Bearer Global Covered Bonds** and each a **Bearer Global Covered Bond**) which, in either case, will:

(a) if the Bearer Global Covered Bonds are intended to be issued in new global covered bond (**NGCB**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**); and

(b) if the Bearer Global Covered Bonds are not intended to be issued in NGCB form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Covered Bond is represented by a Temporary Global Covered Bond, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Covered Bonds due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Covered Bond if the Temporary Global Covered Bond is not intended to be issued in NGCB form) only to the extent that certification to the effect that the beneficial owners of interests in such Bearer Covered Bond are not U.S. persons for U.S. federal income tax purposes or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date which is forty (40) days after a Temporary Global Covered Bond is issued (the **Exchange Date**), interests in such Temporary Global Covered Bond will be exchangeable (free of charge) upon a request as described therein either for: (a) interests in a Permanent Global Covered Bond of the same Series; or (b) Bearer Definitive Covered Bonds of the same Series with, where applicable, Coupons and Talons attached (as indicated in the applicable Final Terms and subject, in the case of Bearer Definitive Covered Bonds, to such notice period as is specified in the applicable Final Terms), in each case against certification of non-U.S. beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond or for Bearer Definitive Covered Bonds is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Covered Bond will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Covered Bond if the Permanent Global Covered Bond is not intended to be issued in NGCB form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Bearer Definitive Covered Bonds with, where applicable, Coupons and Talons attached upon either (a) not less than sixty (60) days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) to the Principal Paying Agent as described therein; or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that: (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, 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 Covered Bonds represented by the Permanent Global Covered Bond in definitive form. The Issuer will promptly give notice to the Covered Bondholders of each Series of Bearer Global Covered Bonds in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent 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 (ii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than forty-five (45) days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The exchange of a Permanent Global Covered Bond for definitive Covered Bond upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Covered Bonds are issued in with a minimum Specified Denomination (such as €100,000 (or its equivalent in another currency)) plus one or more higher integral multiples of another smaller amount (such as €1,000 (or its equivalent in another currency)). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Covered Bonds which is to be represented on issue by a Temporary Global Covered Bond exchangeable for definitive Covered Bonds.

Bearer Global Covered Bonds and Bearer Definitive Covered Bonds will be issued pursuant to the Agency Agreement.

The following legend will appear on all Permanent Global Covered Bonds and Bearer Definitive Covered Bonds which have an original maturity of more than one (1) year and on all interest coupons and talons relating to such Bearer Covered Bonds:

"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."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Covered Bonds or interest coupons or talons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Covered Bonds or interest coupons or talons.

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

Registered Covered Bonds

The Registered Covered Bonds of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global covered bond in registered form (a "**Regulation S Global Covered Bond**"). Prior to expiry of the Distribution Compliance Period (as defined in Regulation S) applicable to each Tranche of Covered Bonds, beneficial interests in a Regulation S Global Covered Bond may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Covered Bond will bear a legend regarding such restrictions on transfer.

The Registered Covered Bonds of each Tranche may only be offered and sold in the United States or to, or for the account or benefit of, U.S. persons in private transactions exempt from registration under the Securities Act, "**qualified institutional buyers**" within the meaning of Rule 144A under the Securities Act ("**QIBs**").

The Registered Covered Bonds of each Tranche sold to QIBs will be represented by a global covered bond in registered form (a "**Rule 144A Global Covered Bond**" and, together with a Regulation S Global Covered Bond, the "**Registered Global Covered Bonds**").

Registered Global Covered Bonds will either be deposited with: (i) a custodian for, and registered in the name of a nominee of, the Depository Trust Company ("**DTC**"); or (ii) a common depositary or, if the Registered Global Covered Bonds are to be held under the new safekeeping structure (the "**New Safekeeping Structure**"), a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms.

Persons holding beneficial interests in Registered Global Covered Bonds will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Covered Bonds in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Covered Bonds will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(d) (*Payments in respect of Registered Covered Bonds*)) as the registered holder of the Registered Global Covered Bonds. None of the Issuer, the LLP, the Bond Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries 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.

Payments of principal, interest or any other amount in respect of the Registered Covered Bonds in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(d) (*Payments in respect of Registered Covered Bonds*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Covered Bonds without interest coupons or talons attached only

upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that: (a) in the case of Covered Bonds registered in the name of a nominee for a common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, 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 (b) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds represented by the Registered Global Covered Bond in definitive form. The Issuer will promptly give notice to the Covered Bondholders of each Series of Registered Global Covered Bonds in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any registered holder of an interest in such Registered Global Covered Bond) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in item (b) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten (10) days after the date of receipt of the first relevant notice by the Registrar.

Definitive Rule 144A Covered Bonds will be issued only in minimum denominations of U.S.$250,000 and integral multiples of U.S.$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency).

N Covered Bonds and Other Covered Bonds

N Covered Bonds will be issued to each holder of N Covered Bonds. For the avoidance of doubt, such N Covered Bonds will not be issued pursuant to this Prospectus.

In the future, the Issuer may issue, not under this Prospectus, Covered Bonds with different features and different risks associated with them such as index-linked, dual currency, variable interest and partly paid covered bonds. It is not expected that the consent of the Covered Bondholders will be obtained in order to provide for the inclusion of such Covered Bonds in the Programme.

Transfer of Interests

Interests in a Registered Global Covered Bond may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Covered Bond. No beneficial owner of an interest in a Registered Global Covered Bond will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Covered Bonds are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions; see "*Subscription and Sale and Transfer and Selling Restrictions*".

A transfer of N Covered Bonds is not effective until the transferee has delivered to the Registrar a duly executed copy of the N Covered Bond Agreement relating to such N Covered Bond along with a duly executed N Covered Bond Assignment Agreement.

General

Pursuant to the Agency Agreement (as defined under "*Conditions of the Covered Bonds*"), the Principal Paying Agent shall arrange that, where a further Tranche of Covered Bonds is issued which is intended to form a single Series with an existing Tranche of Covered Bonds, the Covered Bonds of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Covered Bonds of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Covered Bonds of such Tranche.

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

No Covered Bondholder or Couponholder shall be entitled to proceed directly against the Issuer or the LLP unless the Bond Trustee or, as the case may be, the Security Trustee, having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing.

The Issuer may agree with any Dealer that Covered Bonds may be issued in a form not contemplated by the Terms and the Conditions of the Covered Bonds, in which case (if such Covered Bonds are intended to be listed) a new Prospectus will be made available which will describe the effect of the agreement reached in relation to such Covered Bonds.

The Issuer will notify the ICSDs and the Paying Agents upon issue whether the Covered Bonds are intended, or are not intended, to be held in a manner which would allow Eurosystem eligibility and to be deposited with one of the ICSDs as common safekeeper (and in the case of Registered Covered Bonds, registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Where the Covered Bonds are not intended to be deposited with one of the ICSDs as common safekeeper upon issuance, should the Eurosystem eligibility criteria be amended in the future such as that the Covered Bonds are capable of meeting such criteria, the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper. Where the Covered Bonds are so deposited with one of the ICSDs as common safekeeper (and in the case of Registered Covered Bonds, registered in the name of a nominee of one of the ICSDs acting as common safekeeper) upon issuance or otherwise, this does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by Eurosystem at issuance or at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.

FORM OF FINAL TERMS

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (b) a customer within the meaning of Directive (EU) 2016/97 (**Insurance Distribution Directive**); or (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **EU Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **EU PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA, has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.][1]

[**IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold, distributed or otherwise made available to, and should not be offered, sold, distributed or otherwise made available to, any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the **POATRs**). Consequently, no [key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**)]/[disclosure document required by the FCA Product Disclosure Sourcebook (**DISC**)][2] for offering, selling or distributing the Covered Bonds, or otherwise making them available to retail investors in the UK, has been prepared and therefore offering, selling or distributing the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under [the UK PRIIPs Regulation][3]/[DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024][4].]

[MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS-ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (a) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (b) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturer['s][s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s][s'] target market assessment) and determining appropriate distribution channels.][5]

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1 Legend to be included on front of the Final Terms if the Covered Bonds potentially constitute "packaged" products or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

2 Insert the first option in relation to Final Terms/Pricing Supplements dated before 6 April 2026 and the second option in relation to Final Terms/Pricing Supplements dated on or after 6 April 2026.

3 Legend to be included on the front of the Final Terms if the Covered Bonds potentially constitute "packaged" products or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

4 Insert the first option in relation to Final Terms/Pricing Supplements dated before 6 April 2026 and the second option in relation to Final Terms/Pricing Supplements dated on or after 6 April 2026.

5 Legend to be included on the front of the Final Terms if there are EU MiFID manufacturers involved in a particular issuance.

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturer['s][s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s][s'] target market assessment) and determining appropriate distribution channels.

[Date]

National Westminster Bank Plc

Legal entity identifier: 213800IBT39XQ9C4CP71

Issue of Regulated [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds] irrevocably and unconditionally guaranteed as to payment of principal and interest by NatWest Covered Bonds Limited Liability Partnership under the €25 billion Global Covered Bond Programme

PART A– CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Covered Bonds (the **Conditions**) set forth in the Prospectus dated [date] [and the supplemental Prospectus dated [date]] which constitutes a base prospectus for the purposes of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the **PRM**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of the PRM and must be read in conjunction with such Prospectus in order to obtain all the relevant information. [A copy] [Copies] of the Prospectus [and the supplemental Prospectus] [is] [are] published on the website of the London Stock Exchange and [is] [are] available free of charge to the public on the website of the Issuer at https://investors.natwestgroup.com/fixed-income-investors/covered-bonds and from the specified office of the Principal Paying Agent and have been published on the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/pricesandnews/news/market-news/market-news-home.html.]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Covered Bonds (the **Conditions**) set forth in the prospectus dated [date] [and the supplement[s] dated [date] and [date]]] which [together] constitute[s] a base prospectus (the **Prospectus**) for the purposes of Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the **PRM**). This document constitutes the final terms of the Covered Bonds described herein for the purposes of the PRM and must be read in conjunction with the Prospectus in order to obtain all the relevant information. Full information on the Issuer and the LLP and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Prospectus dated [date] [and the supplemental Prospectus dated [date]]. Copies of such Prospectus are available free of charge to the public on the website of the Issuer at https://investors.natwestgroup.com/fixed-income-investors/covered-bonds and from the specified office of the Principal Paying Agents and have been published on the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/pricesandnews/news/market-news/market-news-home.html.]

The LLP is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a "covered fund" for the purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule". In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the LLP has relied on the exemption from registration set forth in Section 3(c)(5)(C) of the Investment Company Act of 1940, as amended. See "*Certain Volcker Rule Considerations*") in the Prospectus dated [date].

1.	(a)	Issuer:	National Westminster Bank Plc
	(b)	Guarantor:	NatWest Covered Bonds Limited Liability Partnership
2.	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]
	(c)	Series which Covered Bonds	[●]/[Not Applicable]

		will be consolidated and form a single Series with:	
	(d)	Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above:	[●]/[Issue Date]/[Not Applicable]
3.	Specified Currency or Currencies:		[●]
4.	Nominal Amount of Covered Bonds to be issued:		[●]
5.	Aggregate Nominal Amount of the Covered Bonds admitted to trading:		
	(a)	Series:	[●]
	(b)	Tranche:	[●]
6.	(a)	Issue Price:	[●]% of the Aggregate Nominal Amount [plus accrued interest from [●]]
	(b)	Specified Denominations:	[●]/[€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000]]
	(c)	Calculation Amount:	[●]
7.	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[●]/[Issue Date]/[Not Applicable]
8.	(a)	Final Maturity Date:	[●]/[Interest Payment Date falling in or nearest to [●]]
	(b)	Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	[●]/[Interest Payment Date falling in or nearest to [●]]/Not Applicable]
9.	Interest Basis:		[●]% Fixed Rate] [[Compounded Daily [SONIA/SOFR]]/[EURIBOR/STIBOR/HIBOR] +/- [●]% [Floating Rate] [Zero Coupon]
10.	Redemption/Payment Basis:		[100]% of the nominal value
11.	Change of Interest Basis or Redemption/Payment Basis:		[●]/[in accordance with paragraphs 14, 15 and 17 below]

12.	Put/Call Options:		[Issuer Call]/[Not Applicable]
13.	[Date [Management Committee] approval for issuance of Covered Bonds obtained:		[●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Covered Bond Provisions:		[Applicable/Not Applicable]
	(a)	[Fixed Rate(s) of Interest:	[●]% p.a. payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[●] in each year up to and including the [Final Maturity Date] [Extended Due for Payment Date, if applicable]/[(provided however that [after the Extension Determination Date, the Interest Payment Date shall be [monthly])]
	(c)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(d)	Business Day(s):	[●]
		Additional Business Centre(s):	[[London/Brussels/ Stockholm/Hong Kong/ /New York/Sydney]/Not Applicable]
	(e)	Fixed Coupon Amount(s):	[●] per Calculation Amount
	(f)	Initial Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
	(g)	Final Broken Amount:	[●]
	(h)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA)]
	(i)	Determination Date(s):	[●] in each year/[Not Applicable]
15.	Floating Rate Covered Bond Provisions:		[Applicable/Not Applicable]
	(a)	Specified Period(s)/Specified Interest Payment Date(s):	[●] (provided however that [prior to the Extension Determination Date,][the Specified Interest Payment Date shall be no more frequent than quarterly][, and provided further that] [after the Extension Determination Date, the Interest Payment Date shall be [monthly][quarterly]]). The first Interest Payment Date shall be [●]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention

(c)	Additional Business Centre(s):		[[London/Brussels/ Stockholm/Hong Kong/ New York/Sydney]/Not Applicable]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:		[Screen Rate Determination/ISDA Determination]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):		[●]
(f)	Screen Rate Determination:		[Applicable/Not Applicable]
	(i)	Reference Rate and Relevant Financial Centre:	Reference Rate: [SONIA/SOFR]/[[●] month][EURIBOR/STIBOR/HIBOR] Relevant Financial Centre: [London/Brussels/ Stockholm/Hong Kong/ /New York/Sydney]
	(ii)	Interest Determination Date(s):	[●]
	(iii)	Relevant Screen Page:	[●]
	(iv)	Relevant Time:	[●]
	(v)	SONIA Lag Period (p):	[five (5)/[●] London Business Days] [Not Applicable]
	(vi)	Observation Method:	[Lag][Lock-Out][Shift]
(g)	ISDA Determination:		[Applicable/Not Applicable]
	(i)	ISDA Definitions:	[2006 ISDA Definitions] / [2021 ISDA Definitions]
	(ii)	Floating Rate Option:	[●]
	(iii)	Designated Maturity:	[●]
	(iv)	Reset Date:	[●]
	(v)	Compounding:	[Applicable/Not Applicable]
	(vi)	Compounding Method:	[Compounding with Lookback Lookback: [●] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days

			Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Compounding with Lockout Lockout: [●] Lockout Period Business Days Lockout Period Business Days: [●]/[Applicable Business Days]]
	(vii)	Averaging:	[Applicable/Not Applicable]
	(viii)	Averaging Method:	[Averaging with Lookback Lookback: [●] Applicable Business Days] [Averaging with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Averaging with Lockout Lockout: [●] Lockout Period Business Days Lockout Period Business Days: [●]/[Applicable Business Days]]
	(ix)	Index Provisions:	[Applicable] / [Not Applicable]
	(x)	Index Method:	Compounded Index Method with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]
(h)		Margin(s):	[+/-] [●]% p.a.
(i)		Minimum Rate of Interest:	[[●]% p.a.]/[Not Applicable]
(j)		Maximum Rate of Interest:	[[●]% p.a.]/[Not Applicable]
(k)		Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 360/360

			Bond Basis 30E/360 Eurobond Basis
16.	Zero Coupon Covered Bond Provisions:		[Applicable/Not Applicable]
	Accrual Yield:		[●]% p.a.
	Reference Price:		[●]
	(a)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(b)	Business Day(s):	[●]
		Additional Business Centre(s):	[[London/Brussels/Stockholm/Hong Kong/ New York/Sydney]/Not Applicable]
	(c)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Condition 6(f) (*Early Redemption Amounts*) applies]

PROVISIONS RELATING TO REDEMPTION BY THE ISSUER

17.	Issuer Call:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[●]/Not Applicable
		(ii) Higher Redemption Amount:	[●]/Not Applicable
18.	Investor Put Option:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount(s) and method, if any, of calculation of such amounts:	[●] per Calculation Amount
19.	Final Redemption Amount:		[Nominal Amount/[●] per Calculation Amount]
20.	Early Redemption Amount payable on redemption for taxation reasons, on acceleration following an Issuer Event of Default or an LLP Event of Default:		[●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21.	New Global Covered Bond:	[Yes][No]
22.	Held under New Safekeeping Structure	[Yes][No]
23.	Form of Covered Bonds:	[Bearer Covered Bonds: [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds in definitive form only after an Exchange Event[/on not less than sixty (60) days' notice] [Temporary Global Covered Bond exchangeable for Bearer Definitive Covered Bonds only after an Exchange Event] [Permanent Global Covered Bond exchangeable for Bearer Definitive Covered Bonds in definitive form only after an Exchange Event[/on not less than sixty (60) days' notice] [Registered Covered Bonds: Regulation S Global Covered Bond (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]/[Rule 144A Global Covered Bond (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]]]
24.	Additional Financial Centre(s) relating to Payment Dates:	[Not Applicable]
25.	Talons for future Coupons to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature):	[Yes, as the Covered Bonds have more than twenty-seven (27) coupon payments, Talons may be required if, on exchange into definitive form, more than twenty-seven (27) coupons payments are still to be made/No]
26.	Stabilising Manager:	[●]/[Not Applicable]

Signed on behalf of the Issuer:	Signed on behalf of the LLP:
By:	By:
Duly authorised	Duly authorised

PART B OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a)	Admission to Trading:	Application [is expected to be/has been] made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the main market of the London Stock Exchange and to be listed on the Official List of the FCA with effect from [●]
(b)	Estimate of total expenses related to admission to trading:	[●]

2. RATINGS

Ratings:	The Covered Bonds to be issued have been rated: Moody's: [●] Fitch: [●] [*Description of each rating to be included*]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer and the LLP are aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking transaction with and may perform other services for the Issuer and/or the LLP and/or its or their affiliates in the ordinary course of business.]

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under paragraph 10 of the PRM*)

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(a)	Reasons for the offer:	[See ["*Use of Proceeds*"] in the Prospectus/*Give details*]] (*See ["Use of Proceeds"] wording in the Prospectus – if reasons for offer different from what is disclosed in the Prospectus or additional detail is relevant, give details.*)
(b)	Estimated net proceeds:	[ ] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)

5. OPERATIONAL INFORMATION:

(a)	ISIN Code:	[●]

(b)	Common Code:	[●]
(c)	CFI:	[[●], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]
(d)	FISN:	[[●], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable]
(e)	[(Insert here any other relevant codes):]	[Not Applicable/give name(s) and number(s)]
(f)	Names and addresses of additional Paying Agent(s) (if any):	[●]
(g)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][include this text for registered Covered Bonds] and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][include this text for registered Covered Bonds]. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. DISTRIBUTION

(a)	Method of Distribution:	[Syndicated/Non-syndicated]

(b)	If syndicated:		
	(i)	Names of Dealers:	[●]
	(ii)	Stabilising Manager(s) (if any):	[Not Applicable/[●]]
(c)	Date of [Subscription] Agreement:		[●]
(d)	If non-syndicated, name of Dealer:		[Not Applicable/[●]]
(e)	U.S. Selling Restrictions:		[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
(f)	Prohibition of Sales to EEA Retail Investors:		[Applicable/Not Applicable] (*If the Covered Bonds clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Covered Bonds may constitute "packaged" products, "Applicable" should be specified.*)
(g)	Prohibition of Sales to UK Retail Investors:		[Applicable/Not Applicable] (*If the Covered Bonds (i) clearly do not constitute "packaged" products under the UK PRIIPs regime pre-6 April 2026 or consumer composite investments under the CCI regime from 6 April 2026 onwards or (ii) the Covered Bonds do constitute "packaged". Products/consumer composite investments (as relevant) and a key information document/product summary (as relevant) will be prepared in the UK, "Not Applicable" should be specified. If the Covered Bonds may constitute "packaged" products/consumer composite investments (as relevant) and no key information document/product summary (as relevant) will be prepared in the UK, "Applicable" should be specified.*)
7.	**YIELD (Fixed Rate Covered Bonds only):**		[●]
	Indication of yield:		The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield
8.	**RELEVANT BENCHMARKS**		[[specify benchmark] is provided by [administrator legal name]]. As at the date hereof, [[administrator legal name][appears]/[does not appear]] [in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall

within the scope of the UK Benchmarks Regulation]/[Not Applicable]

9.	**UNITED STATES TAX CONSIDERATIONS**	[Not applicable]/[*For Covered Bonds issued in compliance with Rule 144A*:][For U.S. federal income tax purposes, the Issuer intends to treat the Covered Bonds as [original issue discount Covered Bonds/fixed-rate debt/fixed-rate debt issued with original issue discount/contingent payment debt instruments, [for which purpose, the comparable yield relating to the Covered Bonds will be [●] per cent compounded [semi-annually/quarterly/monthly], and that the projected payment schedule with respect to a Covered Bond consists of the following payments: [●]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [●] at [●]]/variable rate debt instruments/variable rate debt instruments issued with original issue discount/foreign currency Covered Bonds/foreign currency Covered Bonds issued with original issue discount/foreign currency contingent payment debt instruments, [for which purpose, the comparable yield relating to the Covered Bonds will be [●] per cent compounded .[semi-annually/quarterly/monthly], and that the projected payment schedule with respect to a Covered Bond consists of the following payments: [●]/for which purpose, the comparable yield and the projected payment schedule are available by contacting [●] at [●]]/short-term Covered Bonds.]] [*For a Qualified Reopening of Covered Bonds issued in compliance with Rule 144A:*][Qualified Reopening. The issuance of the Covered Bonds should be treated as a "qualified reopening" of the Covered Bonds issued on [●] within the meaning of the Treasury regulations governing original issue discount on debt instruments (the "**OID Regulations**"). Therefore, for purposes of the OID Regulations, the Covered Bonds issued in this offering should be treated as having the same issue date and the same issue price as the Covered Bonds issued on [.] and should [not] be considered to have been issued with original issue discount for U.S. federal income tax purposes.]

TERMS AND CONDITIONS OF THE COVERED BONDS

With the exception of N Covered Bonds, the following are the Terms and Conditions of the Covered Bonds which will be incorporated by reference into each Global Covered Bond (as defined below) and each Definitive Covered Bond, 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 (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and Definitive Covered Bond.

*In relation to N Covered Bonds, the terms and conditions of such Series of Covered Bonds will be as set out in the N Covered Bond (Namensschuldverschreibung) (and the N Covered Bond Conditions attached as Schedule 1 thereto) together with the N Covered Bond Agreement relating to such N Covered Bond. Any reference to an "**N Covered Bond Condition**" other than in this section shall be deemed to be, as applicable, a reference to the relevant provision of the N Covered Bond, the N Covered Bond Conditions as Schedule 1 attached thereto or the provisions of the N Covered Bond Agreement relating to such N Covered Bond.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by National Westminster Bank Plc (the **Issuer**) constituted by a trust deed dated 1 April 2010 (the **Initial Programme Date**), as supplemented by a first supplemental trust deed dated 29 February 2012 and as supplemented on 16 May 2013, 19 December 2014, 10 July 2015, 19 December 2016, 6 June 2018, 28 February 2019, 22 September 2020, 20 June 2023, 14 November 2024 and on or about the date of this Prospectus (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between the Issuer, NatWest Covered Bonds Limited Liability Partnership as guarantor (the **LLP**) and Citicorp 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 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) in relation to any Covered Bonds represented by a global covered bond (a **Global Covered Bond**), units of the lowest Specified Denomination in the Specified Currency;

(b) any Global Covered Bond;

(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**) (whether or not issued in exchange for a Global Covered Bond in registered form).

The Covered Bonds and the Coupons (as defined below) have the benefit of an agency agreement dated the Initial Programme Date, as supplemented by a first supplemental agency agreement dated 29 February 2012 and as amended and restated on 16 May 2013, 10 July 2015, 6 June 2018, 28 February 2019, 22 September 2020, 20 June 2023, 14 November 2024 and on or about the date of this Prospectus (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between the Issuer, the LLP, the Bond Trustee, the Security Trustee and Citibank, N.A., London Branch as issuing and principal paying agent (in such

capacity, the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as registrar (in such capacity, the **Registrar**, which expression shall include any successor registrar) and as transfer agent (in such capacity, a **Transfer Agent** and together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). As used herein, **Agents** shall mean the Paying Agents and the Transfer Agents.

Interest-bearing Bearer Definitive Covered Bonds have interest coupons (**Coupons**) and, in the case of Covered Bonds which when issued in definitive form, have more than twenty-seven (27) interest payments remaining, talons for further Coupons (**Talons**) are 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. Registered Covered Bonds and Global Covered Bonds do not have Coupons or Talons attached on issue.

The Final Terms for this Covered Bond (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Covered Bond which supplements these terms and conditions (the **Conditions**). References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Covered Bond or any drawdown prospectus.

The Bond Trustee acts as trustee for 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), and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), and for 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 **Series** means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are: (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing) 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 on certain dates in accordance with the Trust Deed (**Due for Payment**), but only after service of a Notice to Pay on the LLP following an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer or the occurrence of an LLP Event of Default and service by the Bond Trustee of an LLP Acceleration Notice on the LLP.

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 dated the Initial Programme Date and as supplemented on 14 December 2014 and 6 June 2018 (such deed of charge as amended and/or supplemented and/or restated from time to time, the **Deed of Charge**) and made between the LLP, the Bond Trustee, the Security Trustee and certain other Secured Creditors.

These 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 free of charge (i) during normal business hours at the registered office for the

time being of the Bond Trustee being at the Initial Programme Date at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of the Principal Paying Agent (ii) electronically on request to the Bond Trustee or any of the Paying Agents or (iii) can be viewed online at https://investors.natwestgroup.com/fixed-income-investors/covered-bonds. Copies of the applicable Final Terms 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 specified office of the Principal Paying Agent and any Covered Bondholder must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, the relevant Paying Agent as to its holding of Covered Bonds and identity. For the avoidance of doubt the N Covered Bonds and the N Covered Bond Agreement will not be available for inspection. The Covered Bondholders 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 which are applicable to them and to have notice of each set of Final Terms relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions shall bear the meanings given to them in the applicable Final Terms and/or the master definitions and construction agreement made between the parties to the Transaction Documents on or about the Initial Programme Date as amended on 26 May 2010, as amended and restated on 14 June 2011, as novated pursuant to the Global Deed of Novation on 1 November 2012, as amended on 21 December 2012 and as further amended and restated on 16 May 2013, 19 December 2014, 10 July 2015, 19 December 2016, 6 June 2018, 22 September 2020, 20 June 2023, 14 November 2024 and on or about the date of this Prospectus (as the same may be 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 and, in the case of Definitive Covered Bonds (being Bearer Definitive Covered Bond(s) and/or, as the context may require, Registered Definitive Covered Bond(s)), 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*.

This Covered Bond may be denominated in any currency.

Subject to confirmation from each of the Rating Agencies prior to the issuance of this Covered Bond that the then current rating of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond, this Covered Bond may, depending upon the Interest Basis shown in the applicable Final Terms, be a Fixed Rate Covered Bond, a Floating Rate Covered Bond or a Zero Coupon Covered Bond or a combination of any of the foregoing.

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 Conditions are not applicable.

Subject as set out below, title to the Bearer Covered Bonds 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 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 (in the case of a CGCB) or common safekeeper (in the case of an NGCB) for Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**) 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 nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg 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, 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 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, 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 expression **Covered Bondholder** 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 and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits (but not in the case of any NGCB), be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2. Transfers of Registered Covered Bonds

(a) Transfers of interests in Registered Global Covered Bonds

Transfers of beneficial interests in Rule 144A Global Covered Bonds (as defined below) and Regulation S Global Covered Bonds (as defined below) (together, the "**Registered Global Covered Bonds**") will be effected by DTC, Euroclear or Clearstream, Luxembourg, 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. A beneficial interest in a Registered Global Covered Bond will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Covered Bonds in definitive form or for a beneficial interest in another Registered Global Covered Bond only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Covered

Bond registered in the name of a nominee DTC shall be limited to transfers of such Registered Global Covered Bond, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) Transfers of Registered Covered Bonds in definitive form

Subject as provided in Conditions 2(e) (*Transfers of interests in Regulation S Global Covered Bonds*) and 2(g) (*Exchanges and transfers of Registered Covered Bonds generally*) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Covered Bond in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer: (i) the holder or holders must: (A) 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 (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent; and (ii) 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 Schedule 6 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three (3) 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 Covered Bond in definitive form of a like aggregate nominal amount to the Registered Covered Bond (or the relevant part of the Registered Covered Bond) transferred. In the case of the transfer of part only of a Registered Covered Bond in definitive form, a new Registered Covered Bond in definitive form in respect of the balance of the Registered Covered Bond not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address specified by the transferor.

(c) 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.

(d) 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 may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Transfers of interests in Regulation S Global Covered Bonds

Prior to expiry of the applicable Distribution Compliance Period, 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:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (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

(ii) otherwise prior to expiry of the applicable Distribution Compliance Period applicable to each Tranche of Covered Bonds, transfers by the holder of, or of a beneficial interest in, a Registered Global Covered Bond may not be offered or sold to, or for the account or benefit of, a U.S. person or in the United States except pursuant to the Securities Act or in an exemption from or a transaction not subject to the registration requirements of the Securities Act, 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 or other jurisdiction of the United States, and, in each case, in accordance with any applicable securities laws of any state or other jurisdiction 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.

In the case of paragraph (i) above, such transferee may take delivery through a Legended Covered Bond in global or definitive form. 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.

(f) Transfers of interests in Legended Covered Bonds

Transfers of Legended Covered Bonds or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Global 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; or

(ii) to a transferee who takes delivery of such interest through a Legended 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

(iii) 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 Legended Covered Bonds, or upon specific request for removal of the legend therein, the Registrar shall deliver only Legended Covered Bonds or refuse to remove the legend therein, 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.

(g) Exchanges and transfers of Registered Covered Bonds generally

Holders of Registered Covered Bonds in definitive form may exchange such Covered Bonds for interests in a Registered Global Covered Bond of the same type at any time.

(h) Definitions

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

CGCB means a Temporary Global Covered Bond or a Permanent Global Covered Bond, in either case in respect of which the applicable Final Terms specify that it is not a new global covered bond;

Distribution Compliance Period means the period that ends forty (40) days after the completion of the distribution of the relevant Tranche of Covered Bonds, as determined and certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

"**Legended Covered Bonds**" means Registered Covered Bonds (whether in definitive form or represented by a Registered Global Covered Bond) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

"NGCB" means a Temporary Global Covered Bond or a Permanent Global Covered Bond, in either case in respect of which the applicable Final Terms specify that it is a new global covered bond;

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

"Regulation S" means Regulation S under the Securities Act;

"**Regulation S Global Covered Bond**" means a Registered Global Covered Bond representing Covered Bonds sold outside the United States in reliance on Regulation S;

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

"**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

(a) Status of the Covered Bonds

The Covered Bonds and any relative Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (subject to any applicable statutory provisions) *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer.

(b) 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 have been unconditionally and irrevocably guaranteed by the LLP (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 until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and service by the Bond Trustee on the LLP of a Notice to Pay or, if earlier, following the occurrence of an LLP Event of Default and service by the Bond Trustee of an LLP Acceleration Notice. The obligations of the LLP under the Covered Bond Guarantee are (following an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay or an LLP Event of Default and service of an LLP Acceleration Notice), direct, unconditional (subject as provided in Condition 17 (*Limited Recourse*)) 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 and Enforcement*)) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds and Coupons except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the Covered Bondholders.

4. Interest

(a) Interest on Fixed Rate Covered Bonds

Each Fixed Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) its date of issue (the **Interest Commencement Date**) at the rate(s) per annum equal to the Rate(s) of Interest payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) in each year up to (and including) the Final Maturity Date. If a Notice to Pay is served on the LLP, the LLP shall pay Guaranteed Amounts in equivalent amounts to those described above under the Covered Bond Guarantee in respect of the Covered Bonds on the Original Due for Payment Dates or, if applicable, the Extended Due for Payment Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the fixed coupon amount specified in the Final Terms (the **Fixed Coupon Amount**). Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the broken amount specified in the relevant Final Terms (the **Broken Amount**) so specified.

As used in the Conditions, **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.

Except in the case of Covered Bonds where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, 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 Specified Denomination,

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.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a) (*Interest on Fixed Rate Covered Bonds*):

(i) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:

(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 during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one (1) 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:

(1) 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 (1) calendar year; and

(2) 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; and

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

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).

Original Due for Payment Date means, in respect of the payment of Guaranteed Amounts, prior to the occurrence of an LLP Event of Default and following the delivery of a Notice to Pay on the LLP, the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, or, if later, the day which is two (2) London Business Days following service of a Notice to Pay on the LLP in respect of such Guaranteed Amounts, or if the applicable Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Scheduled Payment Date that would have applied if the Final Maturity Date of such Series of Covered Bonds had been the Extended Due for Payment Date.

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.

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, €0.01.

(b) Interest on Floating Rate Covered Bonds

(i) Interest Payment Dates

Each Floating Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, 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 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. In these Conditions, the expression **Interest Period** shall mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms 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:

(1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) (*Interest on Floating Rate Covered Bonds*), the **Floating Rate Convention**, such Interest Payment Date: (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis; or (ii) 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 (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) 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

(2) the **Following Business Day Convention**, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) 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

(4) the **Preceding Business Day Convention**, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which 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 London and any Additional Business Centre specified in the applicable Final Terms; and

(B) in the case of any sum payable, either (1) 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 and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively or (2) in relation to any Covered Bonds denominated or payable in euro, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system (**T2**) is open.

(ii) 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.

(A) *ISDA Determination for Floating Rate Covered Bonds*

Where ISDA Determination is specified in the applicable Final Terms 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) the Margin (if any) provided that in any circumstances where under the ISDA definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determinations(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. For the purposes of this subparagraph (A), **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 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 either: (i) the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Covered Bonds of the relevant Series (as specified in the relevant Final Terms)) published by ISDA or (ii) the latest version of the ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant Final Terms, each as published by ISDA (or any successor) on its website (http://www.isda.org), on the date of issue of the first Tranche of the Covered Bonds of such Series (together, the **ISDA Definitions**) and under which:

(1) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(I) the Floating Rate Option is as specified in the applicable Final Terms;

(II) the Designated Maturity is the period specified in the applicable Final Terms, if applicable; and

(III) unless otherwise stated in the applicable Final Terms, the relevant Reset Date is the first day of that Interest Period;

(IV) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Final Terms and:

(a) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b)

Lookback is the number of Applicable Business Days specified in the relevant Final Terms;

(b) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or

(c) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(V) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Final Terms and:

(a) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days as specified in the relevant Final Terms;

(b) Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or

(c) if Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and

(VI) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms;

(2) references in the ISDA Definitions to:

(I) **Confirmation** shall be references to the relevant Final Terms;

(II) **Calculation Period** shall be references to the relevant Interest Period;

(III) **Termination Date** shall be references to the Maturity Date; and

(IV) **Effective Date** shall be references to the Interest Commencement Date;

(3) if the Final Terms specify "2021 ISDA Definitions" as being applicable:

(I) Administrator/Benchmark Event shall be disapplied; and

(II) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback– Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

(4) Unless otherwise defined, capitalised terms used in this Condition 4(b)(ii)(A) shall have the meaning ascribed to them in the ISDA Definitions.

(5) Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be zero.

(B) *Screen Rate Determination for Floating Rate Covered Bonds*

Where Screen Rate Determination is specified in the applicable Final Terms 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:

(1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(2) 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. in the Relevant Financial Centre on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Principal Paying Agent. If five (5) 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 (B) in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three (3) such offered quotations appear, in each case as at the time specified in the preceding paragraph.

As used herein, an **Interest Accrual Period** means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Covered Bonds becomes due and payable following an Issuer Event of Default or an LLP Event of Default, shall be the date on which such Covered Bonds become due and payable).

SONIA

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Covered Bonds is specified in the relevant Final Terms as being **Compounded Daily SONIA**, the Rate of Interest for an Interest Accrual Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus (as indicated in the relevant Final Terms) the applicable Margin.

Compounded Daily SONIA means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or other party responsible for calculating the Rate of Interest as set out in the relevant Final Terms) as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i-pLBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

d is (i) where "Lag" or "Lock-Out" is specified in the relevant Final Terms as the Observation Method, the number of calendar days in the relevant Interest Accrual Period and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, the number of calendar days in the relevant Observation Period;

d_o is (i) where "Lag" or "Lock-Out" is specified in the relevant Final Terms as the Observation Method, the number of London Business Days in the relevant Interest Accrual Period and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, for any Observation Period, the number of London Business Days in the relevant Observation Period;

i is a series of whole numbers from one to d_o, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day (i) where "Lag" or "Lock-Out" is specified in the relevant Final Terms as the Observation Method, in the relevant Interest Accrual Period, and (ii) where "Shift" is specified in the relevant Final Terms as the Observation Method, in the relevant Observation Period;

LBD means a London Business Day;

Lock-Out Period means the period from, and including, the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

n_i for any London Business Day, means the number of calendar days from (and including) such London Business Day "i" up to (but excluding) the following London Business Day;

Observation Period means the period from (and including) the date falling "p" London Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling "p" London Business Days prior to the Interest Payment Date for such Interest Accrual Period;

p means, where (i) "Lag" is specified as the Observation Method in the applicable Final Terms, the number of London Business Days included in the SONIA Lag Period specified in the applicable Final Terms (or, if no such number is so specified, five London Business Days) and (ii) "Shift" or "Lock-Out" is specified as the Observation Method in the applicable Final Terms, for any Interest Accrual Period, zero;

Reference Day means each London Business Day in the relevant Interest Period, other than any London Business Day in the Lock-Out Period;

$SONIA_i$ means, (i) where "Shift" is specified in the relevant Final Terms as the Observation Method, and in respect of a London Business Day "i", the SONIA reference rate for that day, and (ii) where "Lock-Out" is specified in

the relevant Final Terms as the Observation Method, (x) in respect of any London Business Day "i" that is a Reference Day, the SONIA reference rate in respect of that London Business Day immediately preceding such Reference Day, and (y) in respect of any London Business Day "i" that is not a Reference Day (being a London Business Day in the Lock-Out Period), the SONIA reference rate in respect of the last Reference Day of the relevant Interest Period (such last Reference Day falling no fewer than five London Business Days prior to the final day of the relevant Interest Accrual Period);

$SONIA_{i\text{-}pLBD}$ means where "Lag" is specified in the relevant Final Terms as the Observation Method, in respect of any London Business Day falling in the relevant Interest Accrual Period the SONIA reference rate for the London Business Day falling "p" London Business Days prior to the relevant London Business Day "i"; and where "Shift" or "Lock-Out" is specified in the relevant Final Terms as the Observation Method, $SONIA_i$; and

the **SONIA reference rate**, in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Business Day immediately following such London Business Day.

If, in respect of any London Business Day in the relevant Observation Period, the applicable SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then (unless the Principal Paying Agent (or other party responsible for calculating the Rate of Interest as set out in the relevant Final Terms) has been notified of any Alternative Base Rate (and any related Base Rate Modifications) pursuant to Condition 14(d) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*), if applicable) the SONIA reference rate in respect of such London Business Day shall be: (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on such London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five (5) London Business Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined or (ii) any rate that is to replace the SONIA reference rate, the Principal Paying Agent (or such other party responsible for calculating the Rate of Interest as set out in the relevant Final Terms) shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine $SONIA_i$ for the purpose of the relevant Series of Covered Bonds for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

SOFR

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Covered Bonds is specified in the relevant Final Terms as being Compounded Daily SOFR, the Rate of Interest for an Interest Accrual Period will, subject as provided below, be Compounded Daily SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the relevant Final Terms) the applicable Margin.

Compounded Daily SOFR means the rate of return of a daily compound interest investment (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-pUSBD}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

d means the number of calendar days in (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant SOFR Observation Period;

d_o means (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) for any Interest Period, the number of US Government Securities Business Days in the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) for any SOFR Observation Period, the number of US Government Securities Business Days in the relevant SOFR Observation Period;

i means a series of whole numbers from 1 to d_o, each representing the relevant US Government Securities Business Days in chronological order from, and including, the first US Government Securities Business Day in (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant SOFR Observation Period;

n_i, for any US Government Securities Business Day i in (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant SOFR Observation Period, means the number of calendar days from and including such US Government Securities Business Day up to but excluding the following US Government Securities Business Day;

p means (save as specified in the applicable Final Terms) the number of US Government Securities Business Days included in the Observation Look-Back Period specified in the applicable Final Terms or, if no such number is specified:

(1) five US Government Securities Business Days where in the applicable Final Terms "Lag" or "Shift" is specified as the Observation Method; or

(2) zero US Government Securities Business Days where in the applicable Final Terms "Lock-out" is specified as the Observation Method;

$SOFR_{i-pUSBD}$ means:

(3) where in the applicable Final Terms "Lag" is specified as the Observation Method, (save as specified in the applicable Final Terms) in respect of any US Government Securities Business Day falling in the relevant Interest Period, the SOFR for the US Government Securities Business Day falling p US Government Securities Business Days prior to such day;

(4) where in the applicable Final Terms "Lock-out" is specified as the Observation Method, (save as specified in the applicable Final Terms):

(i) in respect of any US Government Securities Business Day that is a SOFR Reset Date, the SOFR for the US Government Securities Business Day immediately preceding such SOFR Reset Date (or such other date as specified in the applicable Final Terms); and

(ii) in respect of any US Government Securities Business Day that is not a SOFR Reset Date, the SOFR for the US Government Securities Business Day immediately preceding the last SOFR Reset Date in the relevant Interest Period (or such other date as specified in the applicable Final Terms); or

(5) where in the applicable Final Terms "Shift" is specified as the Observation Method, (save as specified in the applicable Final Terms) $SOFR_i$, where $SOFR_i$ is, in respect of any US Government Securities Business Day i falling in the relevant SOFR Observation Period, the SOFR for such day; and

SOFR Observation Period means in respect of each Interest Period, the period from and including the date falling p US Government Securities Business Days preceding the first date in such Interest Period to but excluding the date p US Government Securities Business Days preceding the Interest Payment Date for such Interest Period.

US Government Securities Business Day or **USBD** means any day except for a Saturday, Sunday or a day on which the Securities Industry and

Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US government securities.

If, in respect of any US Government Securities Business Day in the relevant Observation Period, the applicable SOFR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then (unless the Principal Paying Agent (or other party responsible for calculating the Rate of Interest as set out in the relevant Final Terms) has been notified of any Alternative Base Rate (and any related Base Rate Modifications) pursuant to Condition 14(d) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*), if applicable) the SOFR reference rate in respect of such US Government Securities Business Day shall be: (i) the Federal Reserve's Federal Funds Rate (the **Federal Funds Rate**) prevailing at 5.00 p.m. (or, if earlier, close of business) on such US Government Securities Business Day; plus (ii) the mean of the spread of the SOFR reference rate to the Federal Funds Rate over the previous five (5) US Government Securities Business Day on which a SOFR reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

Notwithstanding the paragraph above, in the event the Federal Reserve publishes guidance as to (i) how the SOFR reference rate is to be determined or (ii) any rate that is to replace the SOFR reference rate, the Principal Paying Agent (or such other party responsible for calculating the Rate of Interest as set out in the relevant Final Terms) shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine $SOFR_i$ for the purpose of the relevant Series of Covered Bonds for so long as the SOFR reference rate is not available or has not been published by the authorised distributors.

Fallback provisions

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:

(1) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or

(2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Covered Bonds for the first scheduled Interest Accrual Period had the Covered Bonds been in issue for a period equal in

duration to the first scheduled Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Accrual Period).

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 9 (*Events of Default and Enforcement*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds became due and payable and the Rate of Interest on such Covered Bonds shall, for so long as any such Covered Bond remains outstanding, be that determined on such date.

Unless otherwise stated in the Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specify 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 (ii) 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 specify 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 (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *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 payable on the Floating Rate Covered Bonds in respect of each Specified Denomination (each an **Interest Amount**) for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding, 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.

Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period:

(A) if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the applicable Final Terms, 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 the actual number of days in that portion of the Interest Period falling in a leap

year divided by 366 and the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(B) if **Actual/365 (Fixed**) is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) if **Actual/365 (Sterling**) is specified in the applicable Final Terms, 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;

(D) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(E) if **30/360**, **360/360** or **Bond Basis** 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:

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

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;

(F) if **30E/360** or **Eurobond Basis** 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:

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

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 and D1 is greater than 29, in which case D2 will be 30;

(G) 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:

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

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 of the Interest Period, unless (i) that day is the last day of February but not the Final Maturity Date (or, as the case may be, the Extended Due for Payment Date) or (ii) such number would be 31, in which case D2 will be 30.

(v) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent (in the case of Floating Rate Covered Bonds) 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 (i) Bond Trustee and (ii) 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 in accordance with the rules of the relevant stock exchange, competent authority and/or quotation system, and to be published in accordance with Condition 13 (*Notices*) (for the avoidance of doubt, where a Floating Rate Covered Bond is held entirely on behalf of Euroclear and/or Clearstream, Luxembourg, only notifications to Euroclear or Clearstream, Luxembourg (as applicable) are required) as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 4(b)(i) (*Interest Payment Dates*)) thereafter by the Principal Paying Agent. 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 or by which they have been admitted to listing and to the Covered Bondholders in accordance with Condition 13 (*Notices*).

(vi) *Determination or calculation by Bond Trustee*

If for any reason at any relevant time after the Issue Date, the Principal Paying Agent or, as the case may be, the Calculation Agent defaults on 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 (ii)(A) or (B) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (iv) above, the Bond Trustee may determine (or appoint an agent to 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 4, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Bond Trustee may calculate (or appoint an agent to calculate) the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent or the Calculation Agent, as the case may be.

(vii) *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(b), 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 the Covered Bondholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the LLP, the Covered Bondholders 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.

(c) 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 default is otherwise made in the payment thereof, in which event interest will continue to accrue as provided in the Trust Deed.

5. Payments

(a) Method of payment

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or electronic 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 (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(ii) payments in euro will be made by credit or electronic 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 in respect of principal and interest on the Covered Bonds will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 7 (*Taxation*) 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 to 1474 (inclusive) of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. References to Specified Currency will include any successor currency under applicable law.

(b) Presentation of Bearer Definitive Covered Bonds and Coupons

Payments of principal and interest (if any) will (subject as provided below) be made against presentation and surrender of Bearer Definitive Covered Bonds or Coupons, as the case may be, at any 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)).

Fixed Rate Covered Bonds in definitive bearer form (other than any Long Maturity Covered Bonds) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons failing 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 (10) 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 (5) years from the date on which such Coupon would otherwise have become due.

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 the LLP under the Covered Bond Guarantee 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 upon issue had a Talon attached) which 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 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 surrender of the relevant Bearer Definitive Covered Bond.

(c) 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 Global Covered Bond (against presentation or surrender, as the case may be, of such 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.

(d) Payments in respect of Registered Covered Bonds

Payments of principal 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 by electronic 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

third Business Day (being for this purpose 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. 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 Japanese 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 (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest 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 in the city where the specified office of the Registrar is located on 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 (i) in the case of Registered Covered Bonds in global form, the Business Day prior to the relevant due date and (ii) in the case of Registered Covered Bonds in definitive form the fifteenth day (whether or not such fifteenth day is a Business Day) before the relevant due date (in each case 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 (3) Business Days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Covered Bond, the payment may be made by electronic transfer on the due date in the manner provided in the preceding paragraph. Any such application for electronic transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) 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 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 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 a 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 electronic transfer by the Registrar to an account in the relevant Specified Currency of the exchange agent on behalf of DTC or its nominee 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.

(e) 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 Issuer or, as the case may be, 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, payments of principal and/or interest in U.S. dollars in respect of the Bearer Covered Bonds will only be made at the specified office of a Paying Agent in the United States if:

(i) 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 the payment in U.S. dollars at such specified offices outside the United States of the full amount of interest on the Bearer Covered Bonds in the manner provided above when due;

(ii) 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

(iii) 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.

(f) Payment Day

If the date for payment of any amount in respect of any Covered Bond 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 (unless otherwise specified in the applicable Final Terms), **Payment Day** means any day which (subject to Condition 8 (*Prescription*) 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:

(A) the relevant place of presentation;

(B) London; and

(C) any Additional Financial Centre specified in the applicable Final Terms; 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 the place of presentation, London and any Additional Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which T2 is open.

(iii) 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.

(g) Interpretation of principal and interest

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

(i) 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;

(ii) the Final Redemption Amount of the Covered Bonds;

(iii) the Early Redemption Amount of the Covered Bonds;

(iv) the Optional Redemption Amount(s) (if any) of the Covered Bonds;

(v) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 6(f) (*Early Redemption Amounts*));

(vi) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds; and

(vii) any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Covered Bonds.

Any reference in these 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.

6. Redemption and Purchase

(a) Final redemption

Unless previously redeemed in full or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount in the relevant Specified Currency on the Final Maturity Date specified in the applicable Final Terms. Without prejudice to Condition 9 (*Events of Default and Enforcement*), if an Extended Due

for Payment Date is specified as applicable in the Final Terms 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 (or after expiry of the grace period set out in Condition 9(a)(i)) (*Issuer Events of Default*)) and, following the service of a Notice to Pay on the LLP by no later than the date falling one (1) Business Day prior to the Extension Determination Date, the LLP has insufficient monies available to apply 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 (i) the date which falls two (2) London Business Days after service of such Notice to Pay on the LLP or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(a)(i) (*Issuer Events of Default*)) under the terms of the Covered Bond Guarantee and (ii) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the LLP under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that the LLP may pay any amount representing the Final Redemption Amount on the relevant Final Maturity Date and any amount representing all or part of the Final Redemption Amount due and remaining unpaid on the earlier of (i) and (ii) above may also be paid by the LLP on any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

The Issuer shall confirm to the Principal Paying Agent as soon as reasonably practicable and in any event at least four (4) London Business Days prior to the Final Maturity Date of a Series of Covered Bonds whether (x) payment will be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date or (y) payment will not be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date. Any failure by the Issuer to notify the Principal Paying Agent shall not affect the validity or effectiveness of the extension.

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 the Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (i) and (ii) of the first paragraph of this Condition 6(a) 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 give rise to any rights in any such party. In such circumstances, the LLP shall on the earlier of (i) the date falling two (2) London Business Days after the service of a Notice to Pay on the LLP or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(a)(i) (*Issuer Events of Default*)) and (ii) 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 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 amounts to be paid by the LLP under the Covered Bond Guarantee in connection with this Condition 6(a).

For the purposes of these Conditions:

Extended Due for Payment Date means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date;

Extension Determination Date means, in respect of a Series of Covered Bonds, the date falling two (2) London Business Days after the expiry of seven (7) days starting on (and including) the Final Maturity Date of such Series of Covered Bonds;

Guarantee Priority of Payments means the priority of payments relating to monies standing to the credit of the Transaction Account (to the extent maintained, or otherwise the Deposit Account) to be paid on each LLP Payment Date in accordance with the Trust Deed; and

Rating Agency means any one of Moody's Investors Service Limited, Fitch Ratings Ltd. (together, the **Rating Agencies**) or their successors, to the extent they provide ratings in respect of the Covered Bonds.

(b) 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 this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving not less than thirty (30) nor more than sixty (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 Interest Payment Date, the Issuer is or will be required to pay additional amounts as provided in Condition 7 (*Taxation*). Covered Bonds redeemed pursuant to this Condition 6(b) (*Redemption for taxation reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 6(f) (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than thirty (30) nor more than sixty (60) days' notice to the Bond Trustee, the Principal Paying Agent, (in the case of the redemption of Registered Covered Bonds) the Registrar and, in accordance with Condition 13 (*Notices*), the Covered Bondholders (which notice shall be irrevocable) redeem all or some only (as specified in the applicable Final Terms) 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 together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Upon expiry of such notice, the Issuer shall be bound to redeem the Covered Bonds accordingly. In the event of a redemption of some only of the Covered Bonds, such redemption must be for an amount being the Minimum Redemption Amount or a Higher Redemption Amount. 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 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 sixty (60) 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 thirty (30) days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds shall bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds outstanding bears to the aggregate nominal amount of the Covered Bonds outstanding, in each case on the Selection Dates, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Covered Bonds represented by a Global Covered Bond shall be equal to the balance of the Redeemed Covered Bonds. 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(c) and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 13 (*Notices*) at least thirty (30) days prior to the Selection Date.

(d) Redemption at the option of the Covered Bondholders (Investor Put)

If Investor Put is specified as being applicable in the Final Terms, upon the holder of any Covered Bond giving the Issuer not less than thirty (30) nor more than sixty (60) days' written notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. 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.

To exercise the right to require redemption of a Covered Bond the holder thereof must, if the Covered Bond is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise 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 required to be made by cheque, an address) to which payment is to be made under this Condition 6(d) accompanied by this Covered Bond or evidence satisfactory to the Paying Agent concerned that this Covered Bond will, following delivery of the Put Notice, be held to its order or under its control. If this Covered Bond is represented by a Global Covered Bond or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Covered Bond the holder of this Covered Bond must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg, or any common depository or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Covered Bond is represented by a Global Covered Bond, at the same time present or procure the presentation of the relevant Global Covered Bond to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, given by a holder of any Covered Bond pursuant to this Condition 6(d) shall be irrevocable except where, prior to the due date of redemption, an Issuer Event of Default or an LLP Event of Default has occurred and is continuing and the

Bond Trustee has declared the Covered Bonds to be due and payable pursuant to Condition 9 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6 and instead request or direct the Bond Trustee to declare such Covered Bond forthwith due and payable pursuant to Condition 9 (*Events of Default and Enforcement*).

(e) Redemption due to illegality

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 thirty (30) nor more than sixty (60) days' notice to the Bond Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 13 (*Notices*), all the 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 the Issuer to make, fund or allow to remain outstanding any Term Advance made by it to the LLP from the Covered Bonds 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.

Covered Bonds redeemed pursuant to this Condition 6(e) will be redeemed at their Early Redemption Amount referred to in Condition 6(f) (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(f) Early Redemption Amounts

For the purpose of Conditions 6(b) (*Redemption for taxation reasons*) above and 6(i) (*Late payment on Zero Coupon Covered Bonds*) below and Condition 9 (*Events of Default and Enforcement*), each Covered Bond will be redeemed at its Early Redemption Amount calculated as follows:

(i) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of a Covered Bond (other than a Zero Coupon Covered Bond) at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(iii) in the case of a Zero Coupon Covered Bond, at an amount (the **Amortised Face Amount**) equal to the sum of:

(A) the Reference Price; and

(B) 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,

or such other amount as is provided in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) 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 twelve (12) months of thirty (30) days each or (ii) 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 366 and (y) the number of those days falling in a non-leap year divided by 365) or (iii) on such other calculation basis as may be specified in the applicable Final Terms.

(g) Purchases

The Issuer or any of its subsidiaries or the LLP may at any time purchase or otherwise acquire Covered Bonds (provided that, in the case of Bearer Definitive Covered Bonds, Coupons and Talons appertaining thereto are attached thereto or surrendered therewith) at any price and in any manner. If purchases are made by tender, tenders must be available to all the 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).

(h) Cancellation

All Covered Bonds which are redeemed in full will forthwith be cancelled (together with, in the case of Bearer Definitive Covered Bonds, 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(g) (*Purchases*) above and cancelled (together with, in the case of Bearer Definitive Covered Bonds, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be held, reissued or resold.

(i) Late payment on Zero Coupon Covered Bonds

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 6(a) (*Final redemption*), (b) (*Redemption for taxation reasons*) or (c) (*Redemption at the option of the Issuer (Issuer Call)*) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused or default is otherwise made in the payment thereof, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 6(f)(iii) (*Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Covered Bond becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and

(ii) the date on which the full amount of the monies payable in respect of such Zero Coupon Covered Bonds has been received by the Principal Paying Agent or the Bond Trustee or the Registrar and notice to that effect has been given to the Covered Bondholders either in accordance with Condition 13 (*Notices*) or individually.

(j) Certification on redemption under Conditions 6(b) and 6(e)

Prior to the publication of any notice of redemption pursuant to Condition 6(b) (*Redemption for taxation reasons*) or (e) (*Redemption due to illegality*), the Issuer shall deliver to the Bond Trustee a certificate signed by two Authorised Signatories (as defined in the Master

Definitions and Construction Agreement) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds and Couponholders.

7. Taxation

All payments of principal and interest (if any) in respect of the Covered Bonds 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 imposed or levied by or on behalf of the United Kingdom or any political sub-division thereof or by any authority therein or thereof having power to tax unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In the event of a withholding or deduction 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 Covered Bondholders or Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds 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 or Coupon:

(a) presented for payment in the United Kingdom; or

(b) held by or on behalf of 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 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 or Coupons; or

(c) presented for payment more than thirty (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 thirty (30) days; or

(d) where the holder is able to avoid such withholding or deduction by presenting an appropriate certificate.

As used herein:

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

Should any payments made by the LLP under the Covered Bond Guarantee be made subject to any withholding or deduction for or on account of taxes or duties of whatever nature imposed or levied by or on account of the United Kingdom or any political sub-division

thereof or by any authority therein or thereof having power to tax, the LLP will not be obliged to pay any additional amounts as a consequence.

8. Prescription

The Covered Bonds (whether in bearer or registered form) and Coupons will become void unless presented for payment within ten (10) years (in the case of principal) and five (5) 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 (*Payments*).

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 or Condition 5 (*Payments*) or any Talon which would be void pursuant to Condition 5 (*Payments*).

9. Events of Default and Enforcement

(a) Issuer 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 or the purpose of any Extraordinary Resolution referred to in this Condition 9(a) 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 Principal Amount Outstanding 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 the Covered Bondholders shall (but in the case of the happening of any of the events mentioned in paragraph (ii) or (iv) below, only if the Bond Trustee shall have certified in writing that such condition, event or act is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series, provided that a breach of any obligation to provide notices, reports or other information under the RCB Regulations and/or the RCB Sourcebook shall not be considered materially prejudicial to the interests of the Covered Bondholders of any Series by the Bond Trustee) (subject in each case to being indemnified and/or secured to its satisfaction) give notice (an **Issuer Acceleration Notice**) in writing to the Issuer that as against the Issuer (but not, for the avoidance of doubt, as 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 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:

(i) if default is made by the Issuer in payment of any interest or principal due in respect of the Covered Bonds of any Series or any of them and such default continues for a period of fourteen (14) days or more (in the case of interest) or seven days or more (in the case of principal); or

(ii) if the Issuer fails to perform or observe any of its other obligations under the Covered Bonds or Coupons of any Series, the Trust Deed or any other Transaction Document to which the Issuer is a party (other than the Programme Agreement and any Subscription Agreement) but excluding any obligation of the Issuer to comply with the Asset Coverage Test or any representation or warranty given by the Issuer in respect of the Asset Coverage Test, and such failure continues for a period of thirty (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 (except in circumstances where the Bond Trustee considers such failure to be

incapable of remedy in which case no period of continuation will apply and no notice by the Bond Trustee will be required); or

(iii) if an order is made or an effective resolution is passed for the winding-up of the Issuer (otherwise than for the purposes of a reconstruction or amalgamation, on terms previously approved in writing by the Bond Trustee or by an Extraordinary Resolution of all the Covered Bondholders); or

(iv) if the authorisation or registration of the Issuer to accept deposits under part IV of the FSMA is or is proposed to be cancelled, suspended or revoked or anything analogous or similar to any of the foregoing occurs; or

(v) if an Asset Coverage Test Breach Notice has been served and remains outstanding (in accordance with the terms of the Transaction Documents) on the third Calculation Date after service of such Asset Coverage Test Breach Notice on the LLP; or

(vi) the Issuer shall be unable to pay its debts as they fall due (within the meaning of sections 23(1)(b) to (e) and section 123(2) of the Insolvency Act (as those sections may be amended)) or shall admit inability to pay its debts as they fall due or shall stop making payment in respect of any debts that are due (save, in the case of stopping making payments, in each case in respect of any obligation for the payment of principal or interest in respect of the Covered Bonds of any Series) or shall be adjudged or found bankrupt or insolvent.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 9(a), the Bond Trustee shall forthwith serve a notice to pay (the **Notice to Pay**) on the LLP pursuant to the Covered Bond Guarantee and 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 the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or shall take such proceedings or other action against the Issuer in accordance with Condition 9(c) (*Enforcement*).

The Trust Deed provides that all monies received by the Bond Trustee from the Issuer or any receiver, liquidator, administrator or other similar official appointed in relation to the Issuer following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay (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 LLP Accounts and the Excess Proceeds shall thereafter form part of the Security and shall be used by the LLP as Available Principal Receipts in the same manner as all other monies from time to time standing to the credit of the LLP Accounts 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 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 and payment to the LLP of such 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.

(b) 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(b) 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 Principal Amount Outstanding 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 the Covered Bondholders shall, (subject in each case to being indemnified and/or secured to its satisfaction), but in the case of the happening of any of the events described in paragraph (ii) or (vi) below, only 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 (provided that a breach of any obligation to provide notices, reports or other information under the RCB Regulations and/or the RCB Sourcebook shall not be considered materially prejudicial to the interests of the Covered Bondholders of any Series by the Bond Trustee), give notice (the **LLP Acceleration Notice**) in writing to the Issuer and to the LLP, that (x) 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 it following an Issuer Event of Default), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) 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 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:

(i) default is made by the LLP for a period of seven (7) days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series except in the case of the payments of a Guaranteed Amount when Due for Payment under Condition 6(a) (*Final redemption*) where the LLP shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or

(ii) if default is made by the LLP in the performance or observance of any other 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 to which the LLP is a party (other than the Programme Agreement or any Subscription Agreement) 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 thirty (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

(iii) if the LLP ceases or threatens to cease to carry on its business or substantially the whole of its business; or

(iv) the LLP shall stop payment or shall be unable, or shall admit inability, to pay its debts generally as they fall due or shall be adjudicated or found bankrupt or insolvent; or

(v) 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 and/or manager, administrative 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

(vi) a failure to satisfy the Amortisation Test (as set out in the LLP Deed) on any Calculation Date following an Issuer Event of Default; or

(vii) the Covered Bond Guarantee is not, or is claimed by the LLP not to be, in full force and effect.

Following the occurrence of an LLP Event of Default and service of an LLP Acceleration Notice on the LLP each of the Bond Trustee and the Security Trustee may or shall take such proceedings or steps in accordance with the first and second paragraphs, respectively, of Condition 9(c) (*Enforcement*) and the Covered Bondholders shall have a claim against the LLP, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 7 (*Taxation*)) as provided in the Trust Deed in respect of each Covered Bond.

(c) Enforcement

The Bond Trustee may at any time, at its discretion and without further notice, take such proceedings or other action against the Issuer and/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 and the Coupons and any other Transaction Document, but it shall not be bound to take any such enforcement proceedings or other action in relation to the Trust Deed, the Covered Bonds or the Coupons or any other Transaction Document unless (i) it shall have been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Sterling at the relevant Covered Bond Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25% of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series 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 equally and shall not have regard to the interests of any other Secured Creditors.

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

No Covered Bondholder 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, the Covered Bonds, 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 time and such failure shall be continuing.

10. Replacement of Covered Bonds, Coupons and Talons

Should any Covered Bond, Coupon or Talon be 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 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 published 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, Coupons or Talons must be surrendered before replacements will be issued.

11. Principal Paying Agent, Paying Agents, Registrar, Transfer Agent

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

In the event of the appointed office of any such bank being unable or unwilling to continue to act as the Principal Paying Agent, 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 London office of such other bank as may be approved by the Bond Trustee to act as such in its place. The Principal Paying Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid.

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

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

(b) so long as any of the Covered Bonds are listed on any stock exchange or admitted to listing 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.

In addition, the Issuer shall, when necessary appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(e) (*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 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 the Financial Times or any other daily newspaper in London approved by the Bond Trustee or, if this is not possible, in one other English language daily newspaper approved by the Bond Trustee with general circulation in Europe. The Issuer 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.

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 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.

So long as the Covered Bonds are represented in their entirety by any Global Covered Bonds held on behalf of 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 Euroclear and/or Clearstream, Luxembourg for communication by them to the Covered Bondholders and, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to listing by any other relevant authority and the rules of that 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 Covered Bondholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

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

Covered Bondholders, 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 which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of law.

The Trust Deed contains provisions for convening meetings (including by way of conference call, which extends to the use of a videoconference platform) of the Covered Bondholders of any Series to consider any matter affecting their interests, including, without limitation, the modification by Extraordinary Resolution of these Conditions, the N Covered Bond Conditions applicable to a particular Series of Covered Bonds or the provisions of the Trust Deed. The quorum at any such meeting in respect of the 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 the Covered Bondholders of such Series whatever the Principal Amount Outstanding of the Covered Bonds of such Series so held or represented, except that at any meeting the business of which includes 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 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 respective interests of such Covered Bondholders, 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(a) (*Issuer Events of Default*) or to give an LLP Acceleration Notice pursuant to Condition 9(b) (*LLP Events of Default*) or to direct the Bond Trustee or the Security Trustee to take any enforcement action or to direct the Bond Trustee to 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 Deed (each, together with certain other Extraordinary Resolutions specified in the Trust Deed, a

Programme Resolution) shall only be capable of being passed at a single meeting of the Covered Bondholders 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 the Covered Bondholders of any Series. 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 Principal Amount Outstanding of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series shall be binding on all the Covered Bondholders of all Series, whether or not they are present at the meeting, and on all related Couponholders.

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 Principal Amount Outstanding 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 may in the case of paragraphs (a) and (b) below, and shall in the case of paragraphs (c) and (d) below, without the consent of the Covered Bondholders, or Couponholders of any Series and without the consent of the other Secured Creditors concur with the Issuer, the LLP or any other party or direct the Security Trustee to concur with the Issuer, the LLP or any other party in making:

(a) any modification (other than in relation to a Series Reserved Matter) of the Covered Bonds of one or more Series, the related Coupons or any Transaction Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of any Series; or

(b) any modification of the Covered Bonds of any one or more Series, the related Coupons or any Transaction Document which is, in the opinion of the Bond Trustee, of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law; or

(c) any modifications as requested by the Issuer and/or the LLP in order to enable the Issuer and/or the LLP and/or a Swap Provider to comply with any requirements which apply to it under EU EMIR and/or UK EMIR in accordance with the terms of the Trust Deed and in particular, subject to receipt by the Bond Trustee of a certificate signed by an authorised signatory of the Issuer and a certificate signed by an authorised signatory of a Designated Member of the LLP (upon which certificate the Bond Trustee shall be entitled to rely without further enquiry and without liability) certifying to the Bond Trustee that the requested amendments to be made are solely for the purpose of enabling the Issuer and/or the LLP and/or a Swap Provider to satisfy any requirements which apply to any of them under EU EMIR and/or UK EMIR; or

(d) any modification (other than in respect of a Series Reserved Matter, provided that a Base Rate Modification (as defined below) will not constitute a Series Reserved Matter) to the Conditions and/or any Transaction Document (including, for the avoidance of doubt but without limitation, the Covered Bond Swap in relation to the relevant Series of Covered Bonds and subject to the consent only of the Secured Creditors (i) party to the relevant Transaction Document being amended or (ii) whose ranking in any Priorities of Payments is affected) that the Issuer considers necessary for the purpose of changing the base rate in respect of the Covered Bonds from SONIA, SOFR, EURIBOR, STIBOR or HIBOR (each, a **Reference Rate**) to an

alternative base rate (any such rate, an **Alternative Base Rate**) and make such other amendments as are necessary or advisable in the reasonable judgement of the Issuer to facilitate such change (a **Base Rate Modification**), provided that:

(i) The Issuer certifies to the Bond Trustee in writing (such certificate, a **Base Rate Modification Certificate**) that:

(A) such Base Rate Modification is being undertaken due to:

(I) a material disruption to the relevant Reference Rate, an adverse change in the methodology of calculating the relevant Reference Rate or the relevant Reference Rate ceasing to exist or be published;

(II) a public statement by the administrator of the relevant Reference Rate that it will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator for the Reference Rate has been appointed that will continue publication of the relevant Reference Rate) and such cessation is reasonably expected by the Issuer to occur prior to the Final Maturity Date or the Extended Due for Payment Date, as applicable;

(III) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner and such cessation is reasonably expected by the Issuer to occur prior to the Final Maturity Date or the Extended Due for Payment Date, as applicable;

(IV) a public statement by the supervisor of the administrator of the relevant Reference Rate that means such Reference Rate may no longer be used or that its use is subject to restrictions or adverse consequences; or

(V) the reasonable expectation of the Issuer that any of the events specified in sub-paragraphs (I), (II), (III) or (IV) above will occur or exist within six (6) months of the proposed effective date of such Base Rate Modification,

and, in each case, has been drafted solely to such effect; and

(B) such Alternative Base Rate is:

(I) a base rate published, endorsed, approved or recognised by the Bank of England, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Covered Bonds are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing; or

(II) a base rate utilised in a material number of publicly listed new issues of floating rate covered bonds or floating rate

senior unsecured notes prior to the effective date of such Base Rate Modification (for these purposes, unless agreed otherwise by the Bond Trustee, five (5) such issues shall be considered material); or

(III) a base rate utilised in a publicly listed new issue of floating rate covered bonds where the issuer (or, in the case of asset backed securities, the originator of the relevant assets) is the Issuer or an affiliate of the Issuer;

(C) at least thirty (30) days' prior written notice of any Base Rate Modification has been given to the Bond Trustee;

(D) the Base Rate Modification Certificate is provided to the Bond Trustee both at the time the Bond Trustee is notified of the Base Rate Modification and on the effective date of such Base Rate Modification;

(E) with respect to each Rating Agency, either:

(I) the Issuer obtains from such Rating Agency written confirmation that such Base Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the relevant Covered Bonds of any Series by such Rating Agency or (y) such Rating Agency placing the Covered Bonds of any Series on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Bond Trustee; or

(II) the Issuer certifies in writing to the Bond Trustee that it has notified such Rating Agency of the Base Rate Modification and, in its opinion, formed on the basis of due consideration and consultation with such Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at such Rating Agency), such Base Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Covered Bonds of any Series by such Rating Agency or (y) such Rating Agency placing the Covered Bonds of any Series on rating watch negative (or equivalent);

(F) the Issuer pays (or arranges for the payment of) all properly incurred and documented fees, costs and expenses (including legal fees) incurred by the Bond Trustee and the Security Trustee in connection with such Base Rate Modification;

(G) the Issuer has provided at least thirty (30) days' notice to the Covered Bondholders of the relevant Series of Covered Bonds of the Base Rate Modification in accordance with Condition 13 (*Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Covered Bonds (in each case specifying the date and time by which Covered Bondholders must respond), and Covered Bondholders representing at least 10% of the aggregate Principal

Amount Outstanding of the relevant Series of Covered Bonds then outstanding have not contacted the Issuer or the Principal Paying Agent in accordance with the then current practice of any applicable Clearing System through which such Covered Bonds may be held by the time specified in such notice that such Covered Bondholders do not consent to the Base Rate Modification.

If Covered Bondholders representing at least 10% of the aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds then outstanding have notified the Issuer or the Principal Paying Agent in accordance with the then current practice of any applicable Clearing System through which the Covered Bonds may be held by the time specified in such notice that such Covered Bondholders do not consent to the Base Rate Modification, then the Base Rate Modification will not be made unless an Extraordinary Resolution of the Covered Bondholders of the relevant Series then outstanding is passed in favour of the Base Rate Modification in accordance with Condition 14 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*).

(ii) When implementing any modification pursuant to Condition 14(d) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*):

(A) (save to the extent the Bond Trustee considers that the proposed modification would constitute a Series Reserved Matter, provided that a Base Rate Modification will not constitute a Series Reserved Matter), the Bond Trustee shall not consider the interests of the Covered Bondholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation or liability on any Base Rate Modification Certificate or other certificate or evidence provided to it by the Issuer and shall not be liable to the Covered Bondholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

(B) neither the Bond Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the sole opinion of the Bond Trustee and/or the Security Trustee would have the effect of (I) exposing the Bond Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (II) increasing the obligations or duties, or decreasing the rights, powers, authorisations, discretions, indemnification or protections, of the Bond Trustee and/or the Security Trustee in the Transaction Documents and/or these Conditions.

Notwithstanding the above:

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

(iv) the Bond Trustee shall without the consent or sanction of any of the Covered Bondholders, or the Couponholders and without the consent or sanction of any other

Secured Creditors concur, or direct the Security Trustee to concur, with the Issuer and the LLP in making any modifications to the Trust Deed, the Transaction Documents and/or the Conditions to enable the Covered Bonds of any Series issued under the Programme to qualify as regulated covered bonds under the RCB Regulations or any replacement or amended regulations, subject to receipt by the Bond Trustee of a certificate signed by two (2) directors of the Issuer and a certificate of a Designated Member of the LLP, each certifying to the Bond Trustee (A) that the requested amendments are to be made solely for the purpose of enabling the relevant Covered Bonds to qualify as regulated covered bonds under the RCB Regulations or any replacement or amended regulations and (B) that the requested amendments are not, in the opinion of the Issuer or the LLP, materially prejudicial to the interests of the Covered Bondholders of any Series or any other Secured Creditor (the **RCB Certificate**);

(v) prior consent of the Bond Trustee, the Security Trustee and the other Secured Creditors shall not be required and will not be obtained in relation to the accession of any replacement Account Bank, Swap Collateral Account Bank, any additional Account Bank, any additional Collateral Account Bank or any additional Swap Collateral Account Bank and the Bond Trustee shall be obliged to concur in and to effect, and to direct the Security Trustee to concur in and to effect, any modifications to the Transaction Documents that are requested by the LLP or the Cash Manager to accommodate the accession of a replacement Account Bank, additional Account Bank, Swap Collateral Account Bank and/or the additional Swap Collateral Account Bank to the Programme, provided that (A) the LLP or the Cash Manager, as the case may be, has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to accommodate the addition of a replacement Account Bank, additional Account Bank, Swap Collateral Account Bank and/or the additional Swap Collateral Account Bank to the Programme and (B) all other conditions precedent to the accession of a replacement Account Bank, additional Account Bank, Swap Collateral Account Bank and/or additional Swap Collateral Account Bank to the Programme set out in the Deed of Charge have been satisfied at the time of the accession;

(vi) 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 and the Bond Trustee shall be obliged to concur in and to effect, and to direct the Security Trustee to concur in and to effect, any modifications to the Transaction Documents that are requested by the LLP or the Cash Manager to accommodate the accession of a New Seller to the Programme, provided that (A) the LLP or the Cash Manager, as the case may be, has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to accommodate the addition of a New Seller to the Programme and (B) all other conditions precedent to the accession of a New Seller to the Programme set out in the Programme Agreement and the Mortgage Sale Agreement have been satisfied at the time of the accession;

(vii) the prior consent of the Secured Creditors (other than the Bond Trustee and Security Trustee) will not be required and will not be obtained in relation to any modifications to a Swap Agreement requested by the LLP or the relevant Swap Provider to reflect updated or new Fitch Criteria or Moody's Criteria (the **New Rating Criteria**) and the Bond Trustee shall be obliged to concur in and to effect, and to direct the Security Trustee to concur in and to effect, any modifications to a Swap Agreement that are requested by the LLP or a relevant Swap Provider to modify the relevant Swap Agreement to reflect the New Rating Criteria, provided that the conditions precedent

to making of such amendments as set out in the relevant Swap Agreement have been satisfied immediately prior to the date on which it is proposed that the amendments are effected. This Condition 14(d)(vii) will not apply in respect of a Swap Agreement that does not expressly provide for updates to such Swap Agreement for New Rating Criteria;

(viii) the prior consent of the Secured Creditors will not be required and will not be obtained to effect any waiver of or modifications to any provision(s) of a Swap Agreement as will result in the rating of the Covered Bonds by Fitch, following the occurrence of a Fitch Rating Event, being maintained at, or restored to, the level at which it was immediately prior to the occurrence of a Fitch Rating Event (each a **Fitch Cure Event**) and the Bond Trustee shall be obliged to concur in and to effect, and to direct the Security Trustee to concur in and to effect, any waiver of or modifications to any provision(s) of a Swap Agreement to implement a Fitch Cure Event provided that the relevant Swap Provider, the LLP or the Cash Manager, as the case may be, has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to accommodate the Fitch Cure Event;

(ix) subject to the provision of the RCB Certificate to the Bond Trustee and subject as provided in paragraph (x) below, the Bond Trustee shall be bound to concur, or to direct the Security Trustee to concur, with the Issuer and the LLP and any other party in making any of the above-mentioned modifications if it is (A) so directed by Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Trust Deed and, if applicable, converted into Sterling at the relevant Covered Bond Swap Rate) or (B) requested to do so in writing by the holders of not less than 25% of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Trust Deed and, if applicable, converted into Sterling at the relevant Covered Bond Swap Rate);

(x) the prior consent of the Bond Trustee, the Security Trustee and the other Secured Creditors will not be required and will not be obtained to effect any waiver of or modifications to any provision(s) of a Swap Agreement as will result in the rating of the Covered Bonds by Moody's, following the occurrence of a Moody's Rating Event, being maintained at, or restored to, the level at which it was immediately prior to the occurrence of a Moody's Rating Event (each a **Moody's Cure Event**) and the Bond Trustee shall be obliged to concur in and to effect, and to direct the Security Trustee to concur in and to effect, any waiver of or modifications to any provision(s) of a Swap Agreement to implement a Moody's Cure Event provided that the relevant Swap Provider, the LLP or the Cash Manager, as the case may be, has certified to the Security Trustee and the Bond Trustee in writing that such modifications are required in order to accommodate the Moody's Cure Event; and

(xi) the Bond Trustee and the Security Trustee shall not be obliged to agree to any amendment, which, in the sole opinion of the Bond Trustee or the Security Trustee, as applicable, would have the effect of (a) exposing the Bond Trustee or the Security Trustee, as applicable, to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee or the Security Trustee, as applicable, in the Trust Deed, the other Transaction Documents and/or the Conditions.

The Bond Trustee may without the consent of any of the Covered Bondholders of any Series or the related 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, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the LLP or any other person of any of the covenants or provisions contained in the Trust Deed, the other Transaction Documents or the Conditions 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 Deed, provided always that the Bond Trustee shall not exercise any powers conferred on it in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9(a) (*Issuer Events of Default*) or 9(b) (*LLP Events of Default*) 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.

Subject as provided below, the Bond Trustee shall be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the LLP or any other person of any of the covenants or provisions contained in the Trust Deed, the other Transaction Documents or the Conditions 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 Deed if it is: (A) in the case of any such waiver or authorisation, (I) so directed by Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Trust Deed and, if applicable, converted into Sterling at the relevant Covered Bond Swap Rate) or (II) requested to do so in writing by the holders of not less than 25% of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Trust Deed and, if applicable, converted into Sterling at the relevant Covered Bond Swap Rate) or (B), in the case of any such determination, (I) so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and, if applicable, converted into Sterling at the relevant Covered Bond Swap Rate) or (II) requested to do so in writing by the holders of not less than 25% of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (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 be indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing.

The Security Trustee may, without the consent of the Secured Creditors (other than any Secured Creditor who is a party to the relevant document) and without prejudice to its right in respect of any further or other breach, from time to time and at any time, but only if so directed by (a) the Bond Trustee, so long as there are any Covered Bonds outstanding or (b) all of the other Secured Creditors, if there are no Covered Bonds outstanding, modify, or authorise or waive any proposed or actual breach of, any of the covenants or provisions contained in the Deed of Charge or any other Transaction Document.

Prior to the Bond Trustee making or granting any modification, waiver, authorisation or determination pursuant to this Condition 14, the Issuer must send written confirmation to the Bond Trustee or, as the case may be, the Security Trustee that any such modification, waiver,

authorisation or determination would not result in a breach of the RCB Regulations and that either:

(a) any such modification, waiver, authorisation or determination would not require notification in accordance with Regulation 20 of the RCB Regulations; or

(b) if such modification, waiver, authorisation or determination would require notification in accordance with Regulation 20 of the RCB Regulations, the Issuer has provided all information required to be provided to the FCA and it has given its consent to such proposed modification, waiver, authorisation or determination.

Any such modification, waiver, authorisation or determination shall be binding on all the Covered Bondholders of all Series for the time being outstanding, the related Couponholders and the other Secured Creditors, and unless the Bond Trustee otherwise agrees, any such modification shall be notified by the Issuer to the Covered Bondholders of all Series for the time being outstanding in accordance with Condition 13 (*Notices*) and the other Secured Creditors 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 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 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 or the related 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 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 consequences of any such exercise upon individual Covered Bondholders and/or Couponholders, except to the extent already provided for in Condition 7 (*Taxation*) of these Conditions or the relevant Condition of any set of 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 the relevant Condition of any set of N Covered Bond Conditions pursuant to the Trust Deed.

Substitution

Subject as provided in the Trust Deed, the Bond Trustee, if it is satisfied that so to do would not be materially prejudicial to the interests of the Covered Bondholders of any Series, may agree, without the consent of the Covered Bondholders or Couponholders, to the substitution of a Subsidiary of the Issuer or a Successor in Business in place of the Issuer as principal debtor under the Covered Bonds and the Trust Deed.

Any substitution pursuant to this Condition 14 shall be binding on the Covered Bondholders and the Couponholders and, unless the Bond Trustee agrees otherwise, shall be notified by the Issuer to the Covered Bondholders as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

It shall be a condition of any substitution pursuant to this Condition 14 that:

(a) the Covered Bond Guarantee shall remain in place or be modified to apply *mutatis mutandis* and continue in full force and effect in relation to any Successor in

Business or any Subsidiary of the Issuer which is proposed to be substituted for the Issuer as principal debtor under the Covered Bonds and the Trust Deed; and

(b) any Successor in Business or any Subsidiary of the Issuer is included in the register of Issuers pursuant to the RCB Regulations and that all other provisions of the RCB Regulations (including Regulation 20 of the RCB Regulations) are satisfied prior to the substitution of the Issuer.

Rating Agencies

If:

(a) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and

(b) a written request for such confirmation or response is delivered to that Rating Agency by any of the LLP, the Issuer, the Seller, the Cash Manager, the Servicer, the Bond Trustee and/or the Security Trustee, as applicable (each a **Requesting Party**) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation, affirmation or response necessary in the circumstances,

the Requesting Party shall be entitled to disregard the requirement for a confirmation or affirmation of rating or other response by each Non-Responsive Rating Agency and proceed on the basis of the confirmations or affirmations of rating or other responses received by each other Rating Agency or, if all the Rating Agencies indicate that they do not consider such a confirmation or affirmation of rating or other response necessary in the circumstances, on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request.

If a Rating Agency does not respond to a written request for a confirmation or affirmation such non response shall not be interpreted to mean that such Rating Agency has given any deemed confirmation or affirmation of rating or other response in respect of such action or step or any deemed indication that it does not consider such confirmation, affirmation or response necessary in the circumstances.

For the purposes of this Condition 14:

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;

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;

Successor in Business means any entity which (a) acquires all or substantially all of the undertaking and/or assets of the Issuer or (b) acquires the beneficial ownership of the whole of the issued voting stock and/or share capital of the Issuer or (c) into which the Issuer is amalgamated, merged or reconstructed and where the Issuer is not the continuing company; and

Series Reserved Matter in relation to Covered Bonds of a Series means: (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 and Coupons are to be made; (c) alteration of the quorum or 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) except in accordance with this Condition 14, the sanctioning of any such 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; and (f) alteration of the definitions in or proviso to paragraph 5 or paragraph 6 of Schedule 4 to the Trust Deed.

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

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*: (a) 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; (b) 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 or Couponholders or the other Secured Creditors; and (c) 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 whether or not on behalf of the Bond Trustee and/or the Security Trustee. Neither the Bond Trustee nor the Security Trustee will be responsible for *inter alia*: (a) 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 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; (b) 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; (c) monitoring

the Portfolio, including, without limitation, whether the Portfolio is in compliance with the Asset Coverage Test or the Amortisation Test; or (d) 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 or the Couponholders 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 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.

17. Limited Recourse

The Covered Bondholders agree with the LLP and the Security Trustee that, notwithstanding any other provision of any Transaction Document, all obligations of the LLP to the Covered Bondholders in respect of the Covered Bond Guarantee are limited in recourse to the Charged Property and, upon the Security Trustee giving written notice to the Covered Bondholders that:

(a) it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents; and

(b) all amounts available to be applied to pay amounts owing under the Transaction Documents have been so applied in accordance with the Transaction Documents,

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

The Secured Creditors have agreed in the Deed of Charge that all obligations of the LLP to them will be limited in recourse to the Charged Property and have further agreed that only the Security Trustee can enforce the Security created by the LLP.

18. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Covered Bond under the Contracts (Rights of Third Parties) Act 1999.

19. Governing Law

The Trust Deed (including the Covered Bond Guarantee), the Agency Agreement, the Covered Bonds, the Coupons and the other Transaction Documents (other than each declaration of trust in relation to the sale of Scottish loans and their related security to the LLP (each a **Scottish Declaration of Trust**) and certain documents to be granted pursuant to

the Deed of Charge) 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 unless specifically stated to the contrary. Certain provisions of the Mortgage Sale Agreement will be construed in accordance with Scots law and each Scottish Declaration of Trust and certain supplemental security documents to be granted pursuant to the Deed of Charge will be governed by, and construed in accordance with, Scots law.

USE OF PROCEEDS

The gross proceeds from each issue of Covered Bonds will be used by the Issuer to make available Term Advances to the LLP pursuant to the terms of the Intercompany Loan Agreement, which in turn shall be used by the LLP (after swapping the proceeds of the Term Advances into Sterling, if necessary) either (a) to acquire Loans and their Related Security from the Seller in accordance with the terms of the Mortgage Sale Agreement or (b) to invest the same in Substitution Assets up to the prescribed limit to the extent required to meet the requirements of Regulations 23 and 24(1)(a) of the RCB Regulations and the Asset Coverage Test and thereafter may be applied by the LLP:

(i) to acquire Loans and their Related Security or to invest the same in Substitution Assets up to the prescribed limit; and/or

(ii) if an existing Series or Tranche, or part of an existing Series or Tranche, of Covered Bonds is being refinanced by such issue of Covered Bonds, to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced; and/or

(iii) subject to complying with the Asset Coverage Test, to make a Capital Distribution to a Member; and/or

(iv) to deposit all or part of the proceeds into the Deposit Account (including, without limitation, to fund the Reserve Fund to an amount not exceeding the prescribed limit).

NATIONAL WESTMINSTER BANK PLC

NatWest performs various roles under the Programme, including those of the Issuer, the Seller, the Servicer, the Cash Manager, an Interest Rate Swap Provider and a Covered Bond Swap Provider, and is a Member of the LLP. NatWest's registered office is at 250 Bishopsgate, London EC2M 4AA.

NatWest was incorporated in England and Wales as a public limited company on 18 March 1968. Its registered number is 00929027.

Legal Proceedings

For a description of the governmental, legal or arbitration proceedings that NatWest and the NWB Group face, see the section entitled "Litigation and regulatory matters" in Note 26 of the "Notes to the financial statements" at page 156 of the 2025 Annual Report and Accounts as incorporated by reference into this Prospectus, as set out in "*Documents Incorporated by Reference*" section.

Directors and Corporate Governance

The directors and the secretary of NatWest, whose business address is 250 Bishopsgate, London EC2M 4AA, their functions within the NWB Group and their principal activities outside the NWB Group (if any) of significance to the NWB Group are as follows:

Name	Functions within the NWB Group	Principal outside activity (if any) of significance to the NWB Group
Chairman		
Rick Haythornthwaite	Chair	Currently serves as Chair of AA Limited, and is a Senior advisory partner at Moelis & Co. Rick previously served as Chair of Ocado Group plc., Mastercard Inc, Arc International Holdings, Centrica plc, Network Rail Limited and was a partner at Star Capital. Rick's past non-executive directorships include Globant S.A, Cookson plc, Lafarge S.A., Land Securities plc and ICI plc. Rick also led the Haythornthwaite Review of UK Armed Forces Incentivisation.
Executive Directors		

Name	Functions within the NWB Group	Principal outside activity (if any) of significance to the NWB Group
Paul Thwaite	Chief Executive Officer	Paul is a Member of the Board of Trustees at the University of Manchester Prior to his appointment as Group Chief Executive Officer, Paul was Chief Executive of the Commercial & Institutional (C&I) business. He was central to the formulation and execution of the Group's strategy reviews in 2014 and 2019, and has led the development and delivery of a number of industry-leading initiatives and programmes. Foremost amongst these were his leadership of the Group's response to supporting businesses throughout the Covid-19 pandemic, and his ownership of NatWest's integrated Payments and Embedded Finance strategy.
Katie Murray	Chief Financial Officer	Katie is a non-executive director of Phoenix Group Holdings plc. Katie joined RBS as Director of Finance in November 2015 and was appointed as Deputy Chief Financial Officer in March 2017. Katie has worked in Finance and Accounting for over 30 years, with experience in capital management, investor relations, financial planning and all areas of financial services. Previously the Group Finance Director for Old Mutual Emerging Markets, based in Johannesburg from 2011 to 2015, having held various roles in Old Mutual from 2002. Prior to this Katie worked at KPMG for 13 years.
Non-Executive Directors		
Francesca Barnes	-	Currently serves as a non-executive director of Harbourvest Private Equity Limited and Capvis Private Equity. Currently a trustee of the University of Southampton and a member of the Advisory Board of Abundance Investment Limited Previously a non-executive director of Coutts & Company, Francesca also held a number of senior roles within UBS Investment Bank including Global Head of Private Equity; Head of Strategy and Development; Global Loan Portfolio Manager and Chair of the UBSIB Development Board. Francesca started her career at Chase Manhattan Bank.

Name	Functions within the NWB Group	Principal outside activity (if any) of significance to the NWB Group
Karin Cook	-	Currently serves as Chair of SunLife Limited (a subsidiary of Phoenix Group Holdings). Karin is also a non-executive director of Phoenix Group Holdings and its subsidiary Phoenix Life Limited. With 35 years' experience in banking and wealth management, Karin served most recently as Chief Operating Officer of Quilter plc, an integrated wealth management company. Previously she was Director of Operations for Lloyds Banking Group, and spent her earlier career in various operational roles at HSBC, Morgan Stanley and Goldman Sachs. Karin has also previously been a member the boards of Scottish Widows and Quilter Financial Planning.
Mark Rennison	-	Currently serves as non-executive director of The Royal London Mutual Insurance Society Limited. Mark was also appointed as an independent non-executive director of Coutts & Company on 27 October 2025. Mark is a chartered accountant with over 30 years' experience in financial services. He began his career at Price Waterhouse (now PwC), where he spent over ten years as a partner specialising in financial services. He was CFO of Nationwide Building Society from 2007 to 2019. From 2020 to 2023 Mark was an independent non-executive director of TSB and Chair of the Audit Committee. He was also previously non-executive director of Homes England.
Josh Critchley		Currently a Trustee and Investment Committee Chair at Great Ormond Street Hospital Children's Charity. Josh is also Honorary Senior Visiting Fellow at Bayes Business School, City St. George's, University of London. Josh is a former Vice Chair of Global Investment Banking for the Royal Bank of Canada. He was previously their long-time Head of European and Asian Investment Banking, serving in that role for twelve years (2011-2022), including seven years as a member of RBC Capital Markets' Global Operating Committee (2015-2022). He joined RBC in 2009 to help lead the build-out of RBC's investment banking and equities footprint in Europe as part of RBC becoming a full-service investment banking provider. Before Royal Bank of Canada, Josh held senior roles at Goldman Sachs and Merrill Lynch.

Name	Functions within the NWB Group	Principal outside activity (if any) of significance to the NWB Group
Roisin Donnelly		Currently a non-executive director of Premier Foods plc, The Sage Group plc and Internet Advertising Bureau as well as a member of the Digital Advisory Board, Coca Cola Europacific Partners plc, and a trustee of the British Heart Foundation. Roisin spent over 30 years leading marketing and brand building at Procter & Gamble in different UK and international roles. Most recently Roisin served as Chief Marketing Officer for Procter & Gamble Northern Europe (2014-2016) and prior to that served as Chief Marketing Officer for Procter & Gamble UK and Ireland (2002-2014). Roisin's previous non-executive directorships include HomeServe plc, Just Eat plc, Holland and Barrett Limited, and Bourne Leisure Limited.
Patrick Flynn		Currently senior independent director and chairman of the Audit Committee and member of the Risk, Remuneration and Nominations & Governance Committees of Aviva plc. Former Chief Financial Officer and member of the Executive Board of ING Group from April 2009 to May 2017. Previously Chief Financial Officer of HSBC Insurance from 2007 to 2009 and prior to that, from 2002 to 2007, was Chief Financial Officer of HSBC South America based in Brazil. Patrick is also a non-executive director of Aviva plc, and a member of the board audit, risk and nomination committees. Patrick is a Chartered Accountant; a Fellow of the Institute of Chartered Accountants Ireland; and a member of the Association of Corporate Treasurers in the UK.
Geeta Gopalan	-	Currently non-executive director of Intrum AB, Auto Trader Group plc, and Clear Score Technology Limited. Geeta is also a Trustee and Finance Committee Chair at the Old Vic Theatre. She is also a Qualified Chartered Accountant of the Chartered Accountants Institute, India. Geeta has served as a non-executive director of Funding Circle plc, Virgin Money UK plc, where she chaired the Risk Committee, Dechra Pharmaceuticals Ltd, Ultra Electronics Plc, Wizink Bank SA, Vocalink and Trustee Pilotlight. Geeta has also served as Vice-Chair and Member of the England Committee Big Lottery Fund.

Name	Functions within the NWB Group	Principal outside activity (if any) of significance to the NWB Group
Yasmin Jetha	-	Currently non-executive director of Guardian Media Group plc. Previously a non-executive director of Nation Media Group Limited and designate of Williams & Glyn. During her executive career, Yasmin held Chief Information Officer roles at Bupa and the Financial Times, where she became the Chief Operating Officer. She previously had a career spanning nearly twenty (20) years at Abbey National PLC, latterly serving as an Executive Director on the board.
Stuart Lewis	-	Stuart currently serves as a non-executive director of Singapore Exchange Limited, and is a member of the Board of Trustees of the Global Association of Risk Professionals. He is also Visiting Professor in Practice in the Finance Department of the London School of Economics. Stuart served 10 years on the Management Board of Deutsche Bank as Chief Risk Officer retiring in May 2022. He joined Deutsche Bank in 1996, where he held a variety of senior roles, including Deputy Chief Risk Officer, Global Chief Credit Officer and Chief Credit Officer for Asia Pacific. He was previously Head of European Credit Risk Management at Credit Suisse Financial Products. Stuart served as a non-executive director of the London Stock Exchange Group plc (2013-2016) and in 2013, was elected to the Global Association of Risk Professionals Board of Trustees. He was also a Member of the Foundation Board of the International Financial Risk Institute (2010-2022) and served as Chair (2016-2018).
Gill Whitehead OBE	-	Currently serves as a non-executive director of Informa plc and the British Olympic Association. Gill is also Chair of the Women's Rugby World Cup 2025 and was awarded an OBE for services to womens rugby in the King's New Years Honours list 2026. She is also a member of the Advisory Council at Frontier Economics. Gill has previously served as a Non-executive director of the Financial Ombudsman Service and Camelot (operator of the National Lottery). She was also Google UK's Senior Director of Client Solutions & Analytics, leading teams in data science and analytics, measurement, and user experience, having also led their market insights function across EMEA. Prior to this, Gill worked in media at Channel 4 and the BBC and supervised several big tech firms at Ofcom.

Name	Functions within the NWB Group	Principal outside activity (if any) of significance to the NWB Group
Dr Lena Wilson	-	Currently chair of FirstGroup plc. A member of the European Advisory Board of Workday Inc and visiting professor at the University of Strathclyde. Spent a significant proportion of her executive career with Scottish Enterprise, latterly as Chief Executive. Held the role of Senior Investment Advisor to The World Bank in Washington DC. Previously served as Chair of Picton Property Income Limited, Chiene + Tait LLP, as a member of Scotland's Financial Services Advisory Board and as Chair of Scotland's Energy Jobs Taskforce as well as non-executive director of Scottish Power Renewables Limited and Argentex Group plc.
Chief Governance Officer and Board Counsel		
Gary Moore	Company Secretary	Gary is a qualified lawyer with significant governance, legal and regulatory experience. He was appointed Chief Governance Officer and Company Secretary at the beginning of 2025 and prior to that held various roles in the Corporate Governance function, including Head of Corporate Secretariat and Deputy Company Secretary. Prior to joining NatWest, Gary was a Senior Associate at A&O Shearman.

The NWB Group has procedures in place to ensure that the board's management of conflicts of interest and its powers for authorising certain conflicts are operating effectively. On appointment, each director is provided with the NWB Group's guidelines for referring conflicts of interest to the board of directors. Each director is required to notify the board of any actual or potential situational or transactional conflict of interest and to update the board with any changes to the facts and circumstances surrounding such conflicts.

Situational conflicts can be authorised by the board of directors in accordance with the Companies Act 2006 and the Issuer's articles of association. The board of directors considers each request for authorisation on a case-by-case basis and has the power to impose conditions or limitations on any authorisation granted as part of the process.

Details of all directors' conflicts of interest are recorded in a register which is maintained by the Company Secretary and reviewed annually by the board of directors.

Except as recorded therein, no potential conflicts of interest have been declared between any duties to the NWB Group or NatWest, as the case may be, of the directors listed above and their private interests and/or other duties.

As at the date of this Prospectus, NatWest's long-term unsecured, unsubordinated and unguaranteed debt obligations are rated A+ by Fitch and A1 by Moody's (along with a counterparty risk rating of Aa3) and its short-term unsecured, unsubordinated and unguaranteed debt obligations are rated F1 by Fitch and P-1 by Moody's. However, investors should be aware that these ratings do not necessarily correlate to the ratings assigned to any Series of Covered Bonds under this Programme, which ratings will be disclosed in the relevant Final Terms document.

THE LLP

Introduction

The LLP was incorporated in England and Wales on 22 October 2009 as a limited liability partnership (partnership number OC349504) with limited liability under the LLPA 2000 by RBS, NWHL and the Liquidation Member as its Members. The principal place of business of the LLP is at 250 Bishopsgate, London, England, EC2M 4AA (telephone number: +44 (0) 20 7714 4461). The LLP has no subsidiaries.

On 18 April 2018 the name of the LLP was changed from RBS Covered Bonds Limited Liability Partnership to NatWest Covered Bonds Limited Liability Partnership.

Principal Activities

The principal objects of the LLP are set out in the LLP Deed and include, *inter alia*, the ability to carry on the business of acquiring the Loans and their Related Security pursuant to the terms of the Mortgage Sale Agreement with a view to generate profit and to do all such things as are incidental or conducive to the carrying on of that business and to borrow money.

The LLP has not engaged since its incorporation, and will not engage whilst the Covered Bonds or any Term Advance remain outstanding, in any material activities other than activities incidental to its incorporation under the LLPA 2000, activities contemplated under the Transaction Documents to which it is or will be a party, obtaining a standard licence under the Consumer Credit Act 1974, filing a notification under the Data Protection Act 1998 and other matters which are incidental or ancillary to the foregoing.

Members

The members of the LLP as at the date of this Prospectus and their registered offices are:

Name	*Registered Office*
NatWest	250 Bishopsgate, London EC2M 4AA, England
Liquidation Member	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU

NatWest became a member of the LLP on 1 November 2012. NWHL ceased to be a member of the LLP on 1 November 2012. RBS ceased to be a member on 30 April 2018.

The LLP has no employees.

Directors of the Members

The Directors, the Chief Governance Officer and Board Counsel and Company Secretary of NatWest are as mentioned in the section entitled "*National Westminster Bank Plc*" above.

On 18 April 2018 the name of the Liquidation Member was changed from RBS Covered Bonds (LM) Limited to NatWest Covered Bonds (LM) Limited.

The following table sets out the directors of the Liquidation Member and their respective business addresses and occupations.

Name	Business Address	Business Occupation
CSC Directors (No.3) Limited	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director of Special Purpose Companies
CSC Directors (No.4) Limited	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director of Special Purpose Companies
Helena Whitaker	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
CSC Corporate Services (London) Limited	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Company Secretary

The directors of CSC Directors (No.3) Limited and CSC Directors (No.4) Limited and their principal activities or business occupations are:

Name	Business address	Principal Activities
Alasdair Watson	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
Catherine McGrath	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
Umar Khan	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
Debra Amy Parsall	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
Aline Sternberg	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
Paivi Helena Whitaker	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
Oskari Tamenmaa	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
Jonathan Hanly	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
Jordina Walker	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
Raheel Khan	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director
Renda Manyika	5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU	Director

LLP Management Committee

The LLP Management Committee, consisting as at the date of this Prospectus of directors, officers and/or employees of NatWest and the Liquidation Member, will act on behalf of the LLP and is the body to which (other than any decision to approve the audited accounts of the LLP or to make a resolution for the voluntary winding-up of the LLP, which requires a unanimous decision of the Members) the Members have delegated all matters. Any decision by the LLP Management Committee relating to the admission of a New Member, any change in the LLP's business, any change to the LLP's name and any amendment to the LLP Deed will be made, whilst any Covered Bonds are outstanding, with the consent of the Security Trustee.

No potential conflicts of interest exist between any duties to the LLP of the directors of the Members, as described above, and their private interests or other duties in respect of their management roles.

THE LOANS

The Initial Portfolio and each New Portfolio acquired or to be acquired by the LLP will consist of Loans and their Related Security sold by the Seller to the LLP from time to time, in accordance with the Mortgage Sale Agreement. See also the risk factors titled "*Limited description of the Portfolio*" and "*Maintenance of Portfolio*".

General

NWG originates residential mortgages using a multi-brand, multi-channel strategy. It offers mortgages under the NatWest, RBS, Ulster Bank and Coutts brands in the UK. NWG also offered residential mortgages under the First Active UK and Direct Line brands until March 2010 and under the One Account brand until April 2014. The Portfolio consists of mortgages sold under the NatWest brand only.

Certain of the Loans in the Portfolio were originated by NWHL, which was established as a dedicated mortgage lender by the National Westminster Bank Group in 1980 to provide residential mortgages within the National Westminster Bank Group. Subsequent to the acquisition of the National Westminster Bank Group in 2000 by NWG, NWG has continued to originate mortgages under the NatWest brand through NWHL (until 31 October 2012) and NatWest (from 1 November 2012). On 1 November 2012, the mortgage business of NWHL was transferred to NatWest and legal title to the Loans originated by NWHL was transferred to NatWest.

Origination

The Seller derived its mortgage lending business at the relevant times from the following sources:

- the NWG branch networks throughout the United Kingdom;
- a centralised telephone-based lending operation;
- an online digital service (from April 2014); and
- intermediaries that included mortgage brokers and independent financial advisers.

As at the date of this Prospectus, the Seller continues to derive their mortgage lending business from the four sources outlined above.

Characteristics of the Loans

Loan Products offered by the Seller

The Portfolio comprises traditional buy-to-let residential mortgage loans and residential mortgage loans originated and administered by the Seller.

The Seller offers a variety of mortgage products, which, in each case, may comprise one or more of the following:

Variable Rate Loans

- Loans subject to the Seller Standard Variable Rate or the Flexible Choice Rate for the life of the loan or until an alternative product that the Borrower qualifies for is selected by the

Borrower. The Seller Standard Variable Rate is set by the Seller by reference to the general level of interest rates, cost of funding and competitor rates in the UK mortgage market.

Fixed Rate Loans

- Loans subject to a fixed interest rate for a specified period of time and which at the expiration of that period generally convert to Variable Rate Loans. An early repayment charge may be payable in respect of these loans for a set period of time, which generally corresponds with the term of the fixed interest rate.

Discounted Rate Loans

- Loans which allow the Borrower for a set period of time to pay interest at a specified discount to the Seller Standard Variable Rate. At the end of the discounted period, generally the mortgages convert to a Variable Rate Loan.

Tracker Rate Loans

- Loans subject to a variable rate of interest that is linked to either the NatWest Base Rate or the BoE Base Rate or any other variable rate of interest other than the Seller Standard Variable Rate plus (or potentially minus) an additional fixed percentage (the **Tracker Rate**), usually for a fixed period but, in some instances, for the life of the loan (the **Life Tracker Rate Loans**). At the end of any fixed period, generally the loans (excluding the Life Tracker Rate Loans) convert to a Variable Rate Loan.

Flexible Loans

- Loans, for which the rate of interest is set in accordance with the Flexible Choice Rate or such other flexible rate employed by the Seller from time to time and which permit the relevant Borrower to make Overpayments or take Payment Holidays.

Repayment Terms

Borrowers typically make payments of interest on, and repay principal of, their loans using one of the following methods:

- **Repayment Loans**: the Borrower makes monthly payments of both interest and principal so that, when the loan matures, the Borrower will have repaid the full amount of the principal of the loan.

- **Interest Only Loans (with a standard repayment vehicle plan)**: the Borrower makes monthly payments of interest but not of principal. When the loan matures, the entire principal amount of the loan is still outstanding and the Borrower must repay that amount in one lump sum. The Borrower may be required to arrange a separate investment plan which will be administered by an organisation other than the Seller, which plan provides for a lump sum payment to coincide with the end of the mortgage term. Although these investment plans are forecast to provide sufficient sums to repay the principal balance of the loan upon its maturity, to the extent that the lump sum payment is insufficient to pay the principal amount owing, the Borrower will be liable to make up any shortfall. These types of **Standard Repayment Vehicle Plans** include:

  – **Endowment**: the Borrower makes regular payments to a life assurance company which invests the premiums; the endowment policy is intended to repay the loan at maturity.

- **Pension Policy**: the Borrower makes regular payments to a personal pension plan; upon retirement, or plan maturity, the Borrower will receive a tax-free lump sum which is intended to repay the loan.

- **Individual Savings Accounts or ISAs**: the Borrower makes contributions to a tax-free ISA account; once the value of the ISA equals or exceeds the outstanding mortgage debt, the Borrower may use those amounts to repay the loan at any time thereafter or may wait to repay the loan upon its maturity.

- **Personal Equity Plans or PEPs**: similar to ISAs; the Borrower makes contributions to a tax-free PEP account and uses these amounts to repay the loan. Although PEPs have been discontinued in the United Kingdom, some loans with PEP repayment vehicles may be included in the Portfolio.

- **Unit Trusts**: the Borrower makes regular payments to the trustees of a unit trust and the accumulated unit trust is used to repay the loan by the end of its term.

From September 2015 following the re-introduction of interest only Loans the following are also acceptable Standard Repayment Vehicle Plans:

- **Sale of UK Property**: the Borrower may use the sale of a UK property to repay the loan at the end of its term. Where the NatWest mortgaged property is the Borrower's main residence, there must be equity of £200,000 as a minimum.

- **Stocks and Shares**: the Borrower holds stocks and shares on an authorised exchange and the accumulated stocks and shares are used to repay the loan by the end of its term.

- **Cash Savings**: the Borrower makes contributions to a cash savings account; once the value of the cash savings equals or exceeds the outstanding mortgage debt, the Borrower may use those amounts to repay the loan at any time thereafter or may wait to repay the loan upon its maturity.

All Standard Repayment Vehicle Plans must be in Sterling.

Prior to September 2015 the Seller did not verify at the outset that a Borrower had a Standard Repayment Vehicle Plan in place. From September 2015, the Seller must verify that a Borrower has a Standard Repayment Vehicle Plan in place at the outset for Residential Mortgages. At certain instances during the lifetime of the loan the Seller may contact the Borrower to request evidence that a Standard Repayment Vehicle Plan remains in place. In addition, as it is a condition of the loan that this is in place, the Borrower is reminded on an annual basis to this effect.

- **Interest Only Loans (without a Standard Repayment Vehicle Plan)**: where the Borrower makes monthly payments of interest but not of principal and when the loan matures, the entire principal amount of the loan is due. However, the Borrower has no formal repayment vehicle in place to repay the loan in full.

- **Combination of Repayment and Interest Only Loans (Combination Loans)**: this situation most often occurs when the Borrower had an interest only Loan with a repayment vehicle on a prior property, and after selling that property the Borrower purchased a property with a loan issued by the Seller, where the subsequent home was either more expensive than the prior home or the Borrower took out a larger loan

or Further Advance. The Borrower used the existing Standard Repayment Vehicle Plan for the new loan or Further Advance issued by the Seller and made up the difference between the anticipated maturity value of the Standard Repayment Vehicle Plan and the higher loan amount with a repayment mortgage.

During the life of a Loan, a Borrower may, with the consent of the Seller, change the type of the Borrower's Loan from the interest-only type to repayment type. If a Borrower wishes to do so, the Borrower must make a request to the Seller and the Seller will give the Borrower written notice if it agrees to make such change. From April 2014, a full affordability assessment is undertaken for switches to capital and interest.

The required monthly payment in connection with any repayment loans or interest only Loans which are not Fixed Rate Loans may vary from month to month for various reasons, including changes in interest rates.

The Seller does not now (and in some cases cannot) take security over investment plans. The Seller only takes an assignment of life policies as security for any loan at the request of the Borrower or as a condition of sanction of the lending unit.

Partial Redemptions

Partial redemptions may be subject to early repayment charges, as described under "*Early Repayment Charges*", however a Borrower whose loan is subject to an early repayment charge may (as at the date of this Prospectus), on an annual basis and since March 2023, repay up to 20% of the amount outstanding at the beginning of each annual period without such partial redemption being subject to an early repayment charge.

If a Borrower under a Loan makes an Underpayment, those Underpayments are treated by the Seller as arrears. If a Borrower pays more than the required monthly payment, this will be credited to the relevant account when it is received and in the first instance set off against any existing arrears on the loan.

Early Repayment Charges

If a Borrower wishes to repay the whole of an advance before the time agreed, the Borrower may do so. A Borrower may repay part of an advance before the time agreed provided such partial repayment is not prohibited under the terms of the Loan. In the case of repayment in full, the Borrower must pay to the Seller all sums owing to it in respect of such advance by way of principal, interest and costs (including, if the terms of the advance so provide, an early repayment charge) together with the Seller's expenses reasonably and properly incurred in connection with such repayment. Not all products offered by the Seller carry an early repayment charge.

Repayment charges will be calculated on the basis provided under the relevant offer of advance in relation to a loan. In these cases, the Seller retains absolute discretion to waive or enforce early repayment charges in accordance with the Seller's policy from time to time. The amount of any early repayment charges which may become payable on the Loans that are sold to the Issuer will comprise Revenue Receipts.

Interest Payments and Setting of Interest Rates

Interest on the Loans in the Portfolio is computed on a daily basis. The Portfolio comprises Loans where interest is payable by the Borrower monthly in arrears. The balance on which the monthly interest charge is calculated is reset daily.

Each Loan which will comprise the Portfolio accrues interest at any time at a fixed or a variable rate.

Fixed Rate Loans provide that the Borrower pays interest on such Loan at a fixed rate of interest for the period specified in the offer of advance. At the end of that period, the interest rate generally reverts to the Seller Standard Variable Rate.

Interest accrues on Tracker Rate Loans at varying margins above or below the NatWest Base Rate or BoE Base Rate (depending upon the product selected at the time) for the period specified in the offer of advance. At the end of that period, the interest rate generally reverts to the Seller Standard Variable Rate.

The actual interest rate that the Seller charges for some Variable Rate Loans, Discounted Rate Loans and for Fixed Rate Loans upon conversion from a fixed rate to the Seller Standard Variable Rate, where applicable, could be changed for one or more of the following reasons:

- to reflect a change which has occurred, or which the Seller reasonably expects to occur, in bank base rates or in interest rates generally in the UK financial services industry;

- to reflect a change which has occurred or which the Seller reasonably expects to occur in the cost of funding the Loan;

- to reflect changes in the law, regulation or any codes or industry guidance which the Seller follows or a decision by a court, ombudsman or regulator; or

- if the original Loan is given to help the Borrower buy a residential property with a view to the Borrower living in it and the Seller subsequently consents in writing to the Borrower letting the property, the Seller may charge a fee or increase the rate of interest payable to the Loan to reflect the increased risk to the Seller.

The Seller's Standard Variable Rate may be varied to take into account the amount of the Borrower's Loan in proportion to the value of the Property (the **loan-to-value ratio** or **LTV**).

Interest rates may be varied in respect of Buy-to-Let Loans by either (a) changing the product or (b) changing the percentage which is added to the Seller's variable mortgage rate to arrive at the buy-to-let mortgage rate (stress rate).

Loans may combine one or more of the features listed in this section. For Loans with an interest rate that lasts for a limited period of time specified in the offer of advance, after the expiration of that period the interest rate adjusts to some other interest rate type or else it reverts to, or remains at, the Seller Standard Variable Rate. The features that may apply to a particular loan are specified in the offer of advance.

Further Advances

A Borrower may apply to the Seller for a further amount to be lent to him or her under his or her Loan. This further amount will be secured by the same Property as the Loan, and will be added as a separate sub-account to the Loan. Any Further Advance made by the Seller and purchased by the LLP will be added to the outstanding principal balance of that Borrower's Loan on the relevant Advance Date. The aggregate of the outstanding amount of the Loan and the Further Advance may be greater than the original amount of the Loan.

Flexible Loans

Certain Borrowers have Flexible Loans which contain certain flexible features whereby a Borrower has the option to make Overpayments and take Payment Holidays or make a withdrawal under the terms of the Loan. However the Flexible Loans do not give the relevant Borrower general exercisable re-draw rights.

Product Switches

From time to time a Borrower may request, or the Seller or the Servicer (on behalf of the Seller) may offer, in limited circumstances, a variation in the financial terms and conditions applicable to the Borrower's Loan. In addition, in order to promote the retention of Borrowers, the Seller may periodically contact certain Borrowers in respect of the Seller's total portfolio of outstanding residential mortgage loans and buy-to-let residential mortgage loans in order to encourage a Borrower to review the Seller's other residential mortgage loans and buy-to-let residential mortgage loan products and to discuss a Product Switch. If a Borrower moves to an alternative mortgage loan product within the NWB Group and there is no increase in the amount borrowed under such Borrower's existing Loan then, so long as the request is within the required product parameters and any changes are not considered to be material to affordability, no additional underwriting procedures will be required, save that any such Product Switch may be declined in the case of the Borrower's bankruptcy or any individual voluntary arrangement or typically if the Borrower is in arrears. In the event the new rate offered as part of such Product Switch is higher than the Seller's Standard Variable Rate, an affordability assessment will be required.

Security in respect of the Loans

Each of the Loans in the Portfolio is or will be secured by an English Mortgage or a Scottish Mortgage as applicable.

Arrears Capitalisation

From time to time, where a Borrower has demonstrated a regular payment history following previous arrears, the Seller may, with the consent of the Borrower, capitalise any outstanding amounts in arrears. In those circumstances, the Seller will set the arrears tracking balance to zero and the related Loan will no longer be considered to be in arrears. The outstanding balance will be required to be repaid over the remaining term of such loan although the Seller may agree, in exceptional circumstances, to extend the term of the Loan.

In the majority of cases, capitalisation of interest in respect of a loan described above is only considered after other repayment options have been exhausted and there are restrictions on the lifetime frequency of such Loan.

Underwriting

The decision to offer a Loan to a potential Borrower is currently made by the Seller using a combination of credit scoring, which includes credit reference agency data and policy rule guidelines. These are either automated or considered by one of the Seller's associated underwriters and/or mandate holders located in one of its lending centres. Each associated underwriter and/or mandate holder must pass a formal training programme to gain the authority to approve mortgage loans. Various levels of authority have been established for the underwriters who approve mortgage loan applications. The levels are differentiated on a risk basis by applicant type (for example, employed or self-employed), product type sought

and value of the loan. An underwriter wishing to move to the next level of authority must first demonstrate their competency at their current level and also undertake further training. The quality of underwriting decisions is also monitored on a regular basis.

A revised process was introduced in the first half of 2007, whereby the level of underwriting carried out is varied according to the risk profile of the applicant. The lowest risk applications are subjected to a less-in-depth evaluation process whilst the highest will remain subject to full underwriting by mandated underwriters.

The risk profile takes account of the credit score and LTV, but in all cases an affordability calculation will remain a key element of the lending decision.

As well as the risk profile, the level of underwrite for buy-to-let mortgages is also determined by loan type. First time buyers/non-owner occupier and Portfolio Landlords require different underwriting levels to meet lending criteria and/or regulatory requirements.

Lending Criteria

Summary

The Loans included in the Portfolio or to be included in the Portfolio were or will be originated according to the relevant Lending Criteria. Whilst earlier policies differed in some detailed respects from the current policies, they were appropriate for a Reasonable, Prudent Mortgage Lender at the time. The Seller retains the right to revise its Lending Criteria from time to time.

To obtain a Loan, each prospective Borrower completes an application which includes information about the applicant's income, anticipated rental income (in respect of buy-to-let applications), current employment details, bank account information, current mortgage information, if any, and certain other personal information. Some of this information is then credit scored through the Seller's scorecard system, which process includes a credit reference agency search. The credit reference agency search is completed on applicant(s) in accordance with the Seller's agreed procedures including the searching of their current address and, if necessary, former addresses. This gives details of public information including any county court judgments and details of any bankruptcy as well as performance information on other credit commitments that are shared by other lenders in accordance with the "Lending Industry's Principles of Data Reciprocity". Some of the factors currently used in making a lending decision are set out below.

Valuation

All owner occupier properties (except certain newly built properties, relating to mortgage applications made before the last quarter of 2006) have been (or will be) valued on origination of each Loan in the Portfolio through undertaking an Automated Valuation Model (**AVM**) valuation or desktop valuation or standard valuation by an AVM provider or valuer approved by the Seller. From December 2023, desktop valuations were introduced for New Build properties. From March 2024, AVM's were introduced for purchases.

In certain low risk owner occupier cases, the Seller utilises "Automated Valuation Methodology", whereby the property value is assessed utilising statistical data based on other similar properties in the locality. As a result of Covid-19 the use of AVMs was discontinued. From 23 April 2020 their use was reintroduced with restrictions in place to mitigate potential model bias, including the reduction of the maximum AVM confidence score and the LTV from 75% to 60%. On 1 March 2021 the maximum AVM LTV returned to 75%. In October

2022, the AVM provider changed to Hometrack from Landmark. On 20 March 2024, the maximum AVM LTV increased to 85% from 75%. In January 2026, the maximum AVM LTV increased to 90%.

For all buy-to-let applications, a full valuation is obtained. For each application, the valuer is also asked to confirm what the likely rental income might be, that the property is in a suitable condition to let, that the property has an acceptable EPC rating (currently E or better) and that it is in an area with demand for rental accommodation of the relevant type of property and that it complies with all other lending criteria set by the Seller. For Portfolio Landlord applications (defined as applicants with four (4) or more mortgaged properties), the rental income and valuation of the background property portfolio will be verified through valuer validation checks.

When granting a Further Advance, the Seller may in certain circumstances apply movements in the UK House Price Index for the relevant country or English region, between the date of the most recent valuation held on file and the UK House Price Index quarterly release preceding the date of the latest further advance application to produce an updated indexed valuation. The indexed property value will be one of the inputs to the lending decision, in cases where (a) the total balance of the Loan following the Further Advance is below 60% LTV and (b) the outstanding balance of the Loan is below a particular threshold (at the date of this Prospectus, £350,000). Whilst the Seller may occasionally revalue the properties in the way described above, no revaluation of the properties is being done for the purpose of this transaction alone. In August 2020, the Seller has moved from the Halifax Index to the UK House Price Index to provide a property-indexed valuation.

For Further Advances given under buy-to-let cases an indexed valuation as described above is only permitted for cases up to a maximum LTV of 60% and where the customer can provide a current assured shorthold tenancy agreement with at least three (3) months remaining to confirm the relevant rental test can be met.

From September 2017, the requirement for a short assured tenancy agreement (or equivalent) has been replaced by the last rental assessment by the valuer, provided this is no more than six (6) months old as at the date of the further advance application.

For all other Further Advances not meeting those criteria a standard valuation will be obtained that will include confirmation of the likely rental income, that the property is in a suitable condition to let and in an area with demand for rental accommodation of this type.

For Further Advances given under owner occupied cases prior to December 2018, a drive-by valuation may be used where the total balance of the Loan following the Further Advance is (a) below 90% LTV and (b) borrowing up to £350,000. From December 2018 drive-by valuations are no longer permitted. Desktop mortgage valuation may be used for valuations up to £3,000,000 (increased from £2,000,000 in April 2020).

Property Types

Properties may be either freehold, leasehold or (in Scotland) heritable or held under a long lease. In the case of leasehold properties including properties in Scotland held under a long lease, the unexpired portion of the lease must in most cases be at least thirty (30) years at the maturity of the loan. However, some flexibility is allocated for prime locations in central

London. The property must be solely used for residential or (in the case of buy-to-let residential mortgage loans) residential letting purposes (with extremely limited individual case exceptions) and must be in sound structural condition and repair or be capable of being put into such state. All persons who are to be owners or (in Scotland) heritable proprietors of the property on completion of the relevant Mortgage must be applicants. In 2025, the residential/business use policy was updated to clarify that the relevant property must be predominantly for residential use and able to be readily restored in its entirety to owner occupation in order to be considered acceptable collateral. Also in 2025, the shared ownership property policy was changed. After this change, the Seller was able to accept a property as collateral where the customer owned a minimum 25% share. Previously the Seller had only accepted a property as collateral where the customer owned a 100% share.

A centrally controlled list of acceptable and unacceptable property types is held to determine quality.

Term of Loan

The minimum loan term is three (3) years. Prior to May 2013 there was no maximum term but loans normally must be repaid by the age of seventy (70) years, subject to serviceability beyond normal retirement age.

From May 2013 a maximum term of thirty-five (35) years was introduced and from June 2014 for loans greater than £500,000 a maximum term of thirty (30) years was introduced. From March 2019 the maximum term was revised back up to thirty-five (35) years for capital and interest repayment loans greater than £500,000, subject to maximum age.

For mortgages approved before April 2014, serviceability beyond normal retirement age sixty-five (65) was considered where the applicant is sixty-five (65) or above by final maturity. Serviceability evidence is required via future rental, pension and investment income.

From April 2014, the customers' intended retirement age was required and it was this age, rather than the assumed age of sixty five (65), which determined the supplementary documentary evidence required in respect of retirement income and the applicable affordability assessment where borrowing exceeded the intended retirement age.

Since July 2023, the maximum term for owner occupied mortgages has been aligned across all channels as outlined below:

For all Natwest / RBC applications:		
	Loan Term	
Minimum	3 years or as set by the product	
Maximum	Capital and Interest 40 years	Interest Only 35 years for loans < or = to £500,000 30 years for loans > £500,000

Since March 2019 the maximum term for a buy-to-let is extended from thirty (30) years to thirty-five (35) years for Broker Applications and Organic Applications.

Age of Applicant

All applicants must be aged eighteen (18) or over. The maximum age limit was previously limited to seventy (70) years but this was subject to serviceability beyond normal retirement age as outlined in the paragraph above.

Since July 2023, the maximum age for residential mortgages has been aligned across all channels as outlined below:

Age of Borrower	
Minimum	18 years (there are no expectations to the minimum age)
Maximum	70 years at end of term – Interest Only
	75 years at end of term – Capital and Interest

An exception can be sought over the applicable maximum terms if serviceability can be demonstrated, and the lending does not exceed the customer stated retirement age.

From February 2023 Natwest has extended the maximum age of borrower from seventy (70) to seventy-five (75) for term extensions that are granted as part of forbearance treatments.

All buy-to-let applicants must be aged eighteen (18) or over. From November 2020, Natwest extended the buy-to-let maximum age of borrower from seventy (70) to eighty (80). Serviceability beyond the customer's intended retirement age (for either one or both customers) must be demonstrated using only rental income from the property being mortgaged to assess affordability. Lending into retirement is not available for first time buyer/non owner occupiers. Lending into retirement for Portfolio Landlords is permitted through the organic channel, on the condition that serviceability can be demonstrated using the rental income from the mortgaged property.

Status of Applicant

The maximum amount of aggregate loan(s) under a mortgage account is determined by a number of factors, including any rental income and affordability.

Owner Occupied

In determining income, the Seller includes basic salary as primary income, along with allowances, mortgage subsidies, pensions, annuities and acceptable state benefits. Overtime, bonus and commissions will not be automatically included in income. In determining affordability, the Seller deducts the following costs from the applicant(s) net monthly income:

- An allowance for living costs derived from modelled data.
- Any other loan commitment(s) which will continue once the mortgage has been drawn down.
- The servicing costs of credit cards and other forms of revolving credit identified (5% of outstanding balances as at the date of this prospectus)

- In the broker channel, the costs of outstanding overdraft balances are automatically allowed for following enhanced data feeds from credit reference bureaus applied from Q1 2022.

- Other commitments specified by the customer – e.g. child maintenance payments.

- The proposed mortgage payment at a nominal rate on a capital and interest repayment method.

The mortgage payment at a nominal rate was previously based on the current Seller Standard Variable Rate.

From 2022, the nominal interest rates applied varies by channel and by product term, with different stress rates applied for customers selecting 5 year product terms and originated via the broker channel.

Mortgage "Prisoners" who re-mortgage to the Seller from closed book lenders, who are up to date with their mortgage and who meet other eligibility criteria as defined by the Financial Conduct Authority are subject to a modified affordability assessment incorporating a different stress rate. This offering has been available since 30 September 2020 and is only available through the broker channel.

The affordable loan amount applies net free income thresholds as well as loan to income caps.

The loan to income caps vary and are currently between 4 and 6 times depending on loan to value, loan amount, product type, customer income and channel. Adjustments in the affordability calculation may also be applied to allow for any expected changes in the foreseeable future in either income or expenditure advised by the customer.

All employed applicants need to have a minimum employment history of at least six (6) months in an existing job or a continuous period of at least six (6) months within concurrent employment. The Seller currently verifies the applicant's income in all cases.

Applications can be considered from graduates who are in full time employment who are completing a period of probation.

The Portfolio will contain low LTV Loans (less than 75% LTV) which were processed under a "fast track" procedure where income will have been validated by an intermediary who is an authorised person, or an appointed representative of an authorised person, under the FSMA, and sample checked by the Seller. As of 12 October 2009, the "fast track" procedure is no longer permitted and all customers' incomes are now validated by NWB staff.

Self-employed applicants must have been trading within that particular business for a minimum period of two (2) years and provide appropriate financial data to support this, albeit some professionals (such as dentists and accountants) are able to apply with less than two (2) years' trading. On determining this information, the Seller will assess whether or not the income declared is appropriate.

The Seller may exercise discretion within its Lending Criteria in applying those factors which are used to determine the maximum amount of loan(s). Accordingly, these parameters may vary for some Loans. The following may be taken into consideration when exercising discretion: credit score passed, LTV, existing customer relationship, stability of employment, career prospects, affordability, additional income and security being offered.

The nominal stress rates are regularly reviewed with reference to long run Bank of England projections on interest rates and the portion of high loan to income new business is monitored to ensure it is within appetite and the thresholds set by the Bank of England.

From June 2014 for the intermediary channel and July 2014 for the branch network, a loan-to-income cap of four (4) times income is applicable for Loans greater than £500,000. In May 2017 the loan-to-income for Loans greater than £500,000 was aligned to the threshold for loans less than £500,000.

Buy-to-let

Since August 2021 buy-to-let affordability for Small Landlords has taken a property-based affordability approach. Since June 2024, this approach has been extended to Portfolio Landlords. The main calculation uses an interest coverage ratio (**ICR**), being the ratio of the expected monthly rental income from the buy-to-let property to the monthly mortgage interest payment, which takes into account likely future interest rate increases.

In August 2025, the treatment of letting agent fees within the affordability assessment for all landlords was simplified by incorporating these costs into the general cost assumptions and the Interest Coverage Ratio. As a result, the ICR requirement for higher-rate taxpayers increased from 145% to 160%, while the requirement for lower-rate taxpayers remained at 125%.

Minimum thresholds detailed below:

Minimum ICR Thresholds	Lower Rate Tax	Higher Rate Tax
Small Landlords	125%	160%
"Like for Like" borrowing	125%	160% (increased from 145% to 160% on 28 August 2025) (increased from 135% to 145% on 10 June 2024)

First time buyers/non owner occupiers (a customer buying a property for the first time or who does not own and reside in their own residential home on completion of the buy-to-let mortgage) must pass a detailed net free income calculation which takes into account the customer's income tax, national insurance, any tax liability that is associated with financing the buy-to-let property, credit commitments, essential expenditure, living costs and other committed expenditure.

In June 2024, Portfolio Landlord affordability moved to a property-based affordability assessment and therefore no longer requires an assessment of the borrower's income as part

of the affordability assessment. ICR affordability became the main affordability criteria supported by background portfolio quality check and minimum landlord experience (two (2) years). The ICR assessment ensures the monthly rental income from the buy-to-let property can sufficiently cover the stressed mortgage interest payment, including costs associated with renting a property. The background portfolio check ensures the customers portfolio of properties meets the Sellers ICR and LTV criteria, with rent and capital value validated by the Bank's Appointed Valuation Provider.

Minimum Portfolio Landlord thresholds are detailed below:

Minimum ICR Thresholds	Lower Rate Tax	Higher Rate Tax
Portfolio Landlords	125%	160% (increased from 145% to 160% on 28 August 2025)

Minimum Background Property	Combined ICR	Combined LTV
Portfolio Thresholds	145%	75%

Prior to June 2024, Portfolio Landlord assessment used the three affordability approaches:

(i) an ICR, being the ratio of the expected monthly rental income from the buy-to-let property to the monthly mortgage interest payment, which takes into account likely future interest rate increases. The minimum ICR was 135% for all tax payers, noting all applications go through a full affordability assessment. If the rental income is less than 135% but more than 125% the customer's net personal income (**NPI**) can be used to supplement rental income to meet 135% threshold. For customers with a minimum annual personal income of £75,000, if rental income is less than the 135% but more than 100%, NPI can be used to supplement rental income to meet the 135% threshold. If a joint application is made, one applicant must earn at least £75,000;

(ii) an income affordability test, which is a detailed net free income calculation based on the calculation used for owner occupier affordability, which takes into account all the customer's income (including rent from all of the customer's properties), tax, national insurance, any tax liability that is associated with financing the buy-to-let property, credit commitments, essential expenditure, living costs and other committed expenditure (including the buy-to-let expenses). Consideration must also be given where the customer is borrowing into retirement; and

(iii) a loan-to-income maximum ratio of 4.99.

To take into account future interest rate rises, interest payments for buy-to-let mortgages received via intermediary and digital channels are assessed using a Stress Rate driven by the product (pay) rate plus a regulatory buffer and uncertainty buffer (if applicable) and an underlying minimum stress collar. This ensures compliance with PRA minimum standards.

From June 2021 there is no minimum income requirement for buy-to-let.

For Portfolio Landlords only, where the Borrower is using rental income from other rental properties they own as part of the affordability assessment, a Valuation Manager (L&G) Assessment is required to verify the expected rental income.

Prior to 10 June 2024, Portfolio Landlords could use personal income to supplement the rental income from buy-to-let property to meet affordability. Affordability for buy-to-let lending was determined by ensuring that rental income exceeds notional loan interest calculated by using a nominal product rate multiplied by 125% rental cover (the 125% Test).

With effect from May 2007 for intermediary channel and August 2007 for branch network, where the 125% Test is not met, personal income was permitted to cover a shortfall down to a 100% rental cover minimum (the 100% Test), if the main applicant's income was greater than £50,000. The loan to income cap for loans greater than £500,000 was removed in May 2017.

From August 2013 minimum income levels of £20,000 per annum for branch network customers and £25,000 per annum for intermediary customers was introduced. Where applications were made in joint names one party must have satisfied the minimum income criteria. In addition, personal income was no longer permitted to be used to pass the 125% Test. From:

- October 2013 the 125% Test nominal rate was 5.25% for intermediaries;
- July 2014, a loan to income cap of 4.99 times income was applicable;
- February 2015 the 125% Test nominal rate was 5.5% for branch network; and
- May 2015 the 125% Test nominal rate was 5.5% for intermediaries.

From August 2021 the ICR test includes different thresholds for higher, lower tax and stress rates as determined by product. The income cap of 4.99 times income was removed for Small Landlords and the minimum income criteria was removed for all buy-to-lets.

Previously the rental cover policy was within the following parameters for branch originated loans including telesales:

- Prior to the second quarter of 2008, (a) if a Borrower had a gross annual income between £30,000 and £74,999 then their minimum rental income must be 110% of the interest only payment, or (b) if a Borrower had a gross annual income £75,000 or more, then their minimum rental income must be 100% of the interest only payment. From the second quarter of 2008 only parameter (b) and the 125% test applied in branches.
- For intermediary introduced business where the LTV of the Buy-to-Let Loan was below 75.01%, applications were accepted where rental income covered notional loan interest by 110% and the applicant's income was greater than £40,000 per annum. This test was removed on 9 October 2008 and the 125% test applied at a nominal rate of 6.75% until December 2011 when the nominal rate was increased to 7%.

The following may be taken into consideration when exercising discretion: credit score passed, LTV, existing customer relationship, stability of employment, career prospects, affordability, additional income and security being offered.

Credit Search

A credit reference search is carried out as an integral part of credit scoring in respect of all applications. Applications may be declined where an adverse credit history is revealed (e.g., bankruptcy or sequestration, county court judgments, Scottish court decree for payment of defaults).

Other Credit History

Owner Occupied Income Verification

For employed applicants, except those via the "fast track" process described above (that was in place between 6 August 2007 and 12 October 2009), proof of income is established as follows:

- For applications up to July 2013 where (a) the LTV is less than or equal to 75%; (b) the total loan amount is less than or equal to £500,000; and (c) the credit scoring system issues an agreement in principle to the customer (an **Agreement In Principle**), the customer is required to provide a bank statement, payslip or form P60 to verify their income or, for existing bank customers, bank records are referred to.

- From July 2013 the LTV trigger for verification was withdrawn and all customers are required to provide as a minimum a bank statement, payslip or form P60 to verify their income, or for existing bank customers, bank records are referred to.

- If an applicant's income cannot be easily verified from the bank statements provided, the applicant's last three (3) months' consecutive payslips P60 or an employer's reference may be requested. From July 2013 employer's references are no longer accepted.

- For self-employed applicants up to July 2013, the applicant is required to provide proof of income as follows:

- For applications where (a) the LTV is less than or equal to 75%; (b) the total loan amount is less than or equal to £500,000; and (c) the credit scoring system issues an Agreement In Principle, the customer is required to provide latest year's accounts or latest year's HM Revenue & Customs Tax Assessment or an accountant's certificate to verify income. From April 2011 accountant's certificates are no longer accepted.

- Other applicants, where the LTV is higher than 75% or the total loan amount is greater than £500,000, are required to provide three (3) months' business bank statements, three (3) months' personal bank statements and either (a) latest two (2) years' finalised accounts of the business or latest two (2) years' HM Revenue & Customs Tax Assessment or (b) an accountant's certificate. From April 2011 accountant's certificates are no longer accepted.

- Up until May 2006, the threshold for requiring bank statements was 75% LTV with the maximum loan amount being £350,000. A policy change was delivered at that time raising the loan amount threshold to £500,000.

- From July 2013 all self-employed customers were required to provide latest two (2) years' accounts or latest two (2) years' HM Revenue & Customs Tax Assessment or an accountant's certificate to verify income.

- From May 2020 (in connection with contingency arrangements as a result of Covid-19), all self-employed customers are required to provide latest two (2) years' accounts or the latest two (2) years' HM Revenue & Customs Tax Assessment, three (3) months business bank statements, three (3) months personal bank statements and where applicable evidence from the government confirming income from the Self Employed Income Support Scheme.

As at April 2023, the following income proofs were required for sole traders, partnerships / LLPs and limited companies for Organic Applications:

- Last two (2) years most recent full and finalised accounts, where these are produced (where full and finalised accounts are not produced last two (2) years' HM Revenue & Customs Tax Assessment (SA100s) with the tax year overviews)

- Last two (2) years SA302 Tax Calculations with the Tax year overviews

- Latest three (3) months business bank statements or review 3 months business account history on back office

- Latest three (3) months personal bank statements or review 3 months personal account history on back office

As at April 2023, the following income proofs are required for sole traders, partnerships / LLPs and limited companies for Broker Applications:

- There are 3 packaging levels for self-employed customers determined by customer risk based rules:

    - 1/ Most recent:

        - one (1) full and finalised accounts (SA100 where accounts are not produced);

        - one (1) SA302 tax calculation with tax year overview; and

        - one (1) month's personal and business bank statements.

    - 2/ Most recent:

        - one (1) full and finalised accounts (SA100 where accounts are not produced);

        - one (1) SA302 tax calculation with tax year overview; and

        - two (2) months' personal and business bank statements.

    - 3/ Most recent:

- two (2) full and finalised accounts (SA100 where accounts are not produced);
- two (2) SA302 tax calculation with tax year overview; and
- three (3) months' personal and business bank statements.

As at February 2025, the following income proofs are required for self-employed applicants via all channels:

- Packaging requirements are driven by either type of business or length of self-employment:
  - For Sole traders, LLP's and Partnerships that are over 2 years in business:
    - 2 years SA302 tax calculation with tax year overview.
  - For Limited companies that are over 2 years in business:
    - 2 years SA302 tax calculation with tax year overview; and
    - 1 years full and finalised accounts.

Only UK and Republic of Ireland based self-employment (including partnerships/directorships) will be considered.

Buy-to-let Income Verification

Small landlords

For landlords with less than four (4) (mortgaged) buy-to-let and/or consent to let properties (**Small landlords**) income verification is required to determine the customers' tax band and to consider customers' debt to income ratio. From August 2021, for basic income a recent payslip can be provided as confirmation, overtime/commission/bonus requires three (3) consecutive payslips, and the self-employed require the most recent two (2) years HM Revenue & Customs Tax Assessment.

Portfolio Landlords

For landlords with four (4) or more (mortgaged) buy-to-let and/or consent to let properties (**Portfolio Landlords**), from June 2024 income verification is required to determine the customers' tax band and to consider customers debt to income ratio. For basic income a recent payslip can be provided as confirmation, overtime/commission/bonus requires three (3) consecutive payslips, and the self-employed require the most recent two (2) years HM Revenue & Customs Tax Assessment. For rent on background BTL/CTL properties one month most recent rental bank statement is required.

All brokers are required to retain appropriate income verification in line with the business terms and conditions and provide evidence to Seller as part of annual audit when required.

Enhanced requirements were introduced in September 2017 in recognition that the lending to Portfolio Landlords is inherently more complex given the quantum of debt in aggregate, cash flows and costs arising from multiple tenancies and potential risks of the property and/or

geographical concentrations. Even with the newly introduced process in June 2024, new lending requests for Portfolio Landlords are assessed by a ring fenced underwriting team within Home Buying & Ownership (**HBO**). The underwriters are specifically trained and experienced in evaluating this customer base to undertake a comprehensive assessment.

Prior to the changes implemented in June 2024, if rental income was less than 135% but more than 125% the customer's NPI could be used to supplement rental income to meet 135% threshold

For customers with a minimum annual personal income of £75k, if rental income was less than 135% but more than 100%, NPI could be used to supplement rental income to meet 135% threshold. If a joint application, one applicant must earn £75k.

Previously, from May 2007 for intermediary channel and August 2007 for branch network, where the 125% test was not met, personal income was permitted to cover a shortfall down to a 100% rental cover minimum (the 100% test), if the main applicant's income was greater than £50,000. The same affordability calculation as detailed above for owner occupied mortgages was applicable. This was removed for all buy-to-let lending other than Portfolio Landlords in August 2021. From:

- October 2013 the 125% test nominal rate was 5.25% for intermediaries
- February 2015 the 125% test nominal rate was 5.5% for branch network
- May 2015 the 125% test nominal rate was 5.5% for intermediaries
- December 2016 the 125% test increased to 145%
- September 2017 the ICR rate went from 145% to 135%
- June 2019 ICR rates changed to 135%/145% (lower/higher tax rate) for Small Landlords and 135% for portfolio
- November 2020 Small Landlord lower rate tax payer ICR reduced from 135% to 145%

From 28 August 2025 the following table confirms ICR and stress rates:

Minimum ICR Thresholds	**Lower Rate Tax /Higher Tax rate**	**Stress Rate**	
		Intermediary	**Organic (rates as of 3 October 2025)**
Small Landlords	125%/160%	Highest of 5.5% OR Product rate + 2%	2 year – 6.34% 5 year – 4.8%
"Like for Like" borrowing	125%/160%	Highest of 4.5% OR Product rate	5.00%
Portfolio Landlord	135%/160%	Highest of 4.5% OR Product rate	2 year – 6.34% 5 year – 4.8%

From August 2013 minimum income levels of £20,000 per annum for branch network customers and £25,000 per annum for intermediary customers was introduced. From September 2017 the minimum income levels increased to £25,000 per annum for branch network customers. Minimum income levels were removed for all buy-to-lets in June 2021.

Rental income

Portfolio Landlords Only – Where the customer is using rental income from other rental properties they own as part of the background property portfolio affordability assessment, a Valuation Manager (L&G) Assessment is required to verify the expected rental income. The assessment is not required for "Like for Like" re-mortgages from another lender. Rental income must be evidenced against the latest one (1) months' bank statements and where the income cannot be verified it must not be included to support affordability

The Seller retains the right to revise its Lending Criteria from time to time.

Scorecard

The Seller uses some of the above criteria and various other criteria to provide an overall score for the application that reflects a statistical analysis of the risk of advancing the Loan. The lending policies and processes are determined centrally to ensure consistency in the management and monitoring of credit risk exposure. Full use is made of software technology in credit scoring new applications. Credit scoring applies statistical analysis to publicly available data and customer provided data to assess the likelihood of an account defaulting. In addition, for existing current account customers, behavioural data on their current account is taken into account in the credit score on initial and further lending decisions. The Seller has the discretion to decline an application where the credit score is passed but other adverse information is known. In addition, a declined credit score decision can be appealed by following a centrally determined appeals process. Instances of such appeals are few and monitored closely.

Seller's Discretion to Lend Outside Lending Criteria

On a case-by-case basis, and within the underwriter levels of authority referred to above, the Seller may have determined that, based upon compensating factors, an applicant that did not strictly qualify under its Lending Criteria at that time warranted an underwriting exception. Compensating factors may be considered including, but not limited to, a low LTV ratio, overall affordability position and track record with the organisation.

Maximum LTV Ratio

As at April 2023, the maximum LTV considered for residential borrowing is determined by a number of factors, including (but not limited to):

- channel of origination
- amount of borrowing
- repayment type
- purpose of borrowing

- security type

	RBS / Natwest – Organic & Digital Only		
	Loans up to £550k	**Loans up to £1m**	**Loans > £1m**
Residential	90%	85%	85%
Additional Borrowing / Further Advance – inc remortgages	90%	85%	85%
Additional Borrowing / Further Advance – any part including Debt Consolidation	80%	80%	75%
Offset	80%	80%	75%
The One Account/ Home movers / Facility Increase	75%	75%	75%
Interest Only - Sale of Property as repayment strategy	75%	75%	75%
Interest Only mortgages are not available for Help to Buy, Shared Equity, Right to Buy, The One Account or Offset.	80%	80%	80%
Please refer to the Interest Only policy for further guidelines.	85%	85%	85%
Interest Only - Other repayment strategy	90%	85%	75%
Interest Only mortgages are not available for Help to Buy, Shared Equity, Right to Buy, The One Account or Offset.	90%	85%	85%
Part & Part Interest Only mortgages are not available for Help to Buy, Shared Equity, Right to Buy, The One Account or Offset. The interest only element of any Part & Part loan is capped at 75%, with a maximum additional 10% available on Capital & Interest terms Please refer to the Interest Only policy for further guidelines.	85%	85%	85%
New Build Flat	90%	85%	75%

The Seller suspended the sale of products to new applicants with an LTV in excess of 80% in April 2020 as a contingency response to Covid-19. The following changes were then made as a result of Covid-19 during 2020 and 2021:

In July 2020 lending up to 85% LTV was reintroduced for:

- purchase of non-new build properties (including where rate is being ported)
- remortgage (with no additional borrowing)
- transfer of title (additional borrowing can be included for the purposes of buy out)

In December 2020 lending up to 90% LTV was reintroduced for purchase applications only, with a subsequent expansion to re-mortgage subject to operational capacity being available.

In February 2021, 90% LTV for Re-Mortgage applications was introduced (per above) along with 95% LTV for transfer of title ("like for like").

Also in February 2021, 85% LTV was permitted for new build houses (previously reduced to 80% as part of Covid-19 tightening).

As at September 2020, for Loans up to £1,000,000 the Seller may lend up to 85% of the valuation of the property for new mortgage purchase applicants and remortgage applicants with no additional borrowing other than to pay product fees. For Loans in excess of £1,000,000 the permissible LTV ratio decreases as the loan increases

The Seller adopted 95% lending supported by the Mortgage Guarantee Scheme (**MGS**) in April 2021 for Organic Applications, and June 2021 for Broker Applications.

As at December 2022, the Seller launched a standalone 95% LTV product and withdrew from the MGS.

As at May 2013, and with the exception of government backed schemes, for Loans of £500,000 or less, the Seller may lend up to 95% of the improved valuation of the property (the original valuation plus the increase in value deriving from any improvements) for purchase applicants. For Loans in excess of £500,000, the permissible LTV ratio decreases as the Loan increases. The maximum LTV for existing mortgage business seeking additional borrowing is 90%.

From the third quarter of 2008, the maximum LTV for interest only Loans has been reduced to 75% for new lending.

From December 2012 no new lending was offered on an interest only or mixed repayment basis.

From September 2015 interest only Loans were re-introduced with a maximum LTV of 75%. Where the NatWest mortgaged property is the Borrower's main residence, the interest only Loan amount reduces to 50%, with an additional loan amount of 25% available on a capital and interest basis.

Until 2006 exceptions to the maximum LTV ratio were made in a small number of cases within the RBS brand where the Borrower was a professional. In such cases, the Seller may have lent up to an LTV of up to 110%.

For Buy-to-Let Loans, the maximum current LTV ratio of Loans to be sold by the Seller to the Issuer is 75% for all properties. Prior to April 2022 there was a restriction for new build flats and houses LTV to maximum 65%.

In March 2025, the seller launched a joint borrower sole proprietor proposition, allowing family members or friends to support mortgage borrowing applications without being named as legal owner of the property.

In November 2025, the seller launched a shared ownership proposition with a maximum LTV of 95% of the customer share, and also increased LTV on new build houses to 95%.

Buildings Insurance Policies

Insurance on the Property

All Borrowers are required to have appropriate buildings insurance to cover the recommended reinstatement value of the property (as confirmed by a valuer approved by the Seller). All such buildings insurance policies must be held with a company that is authorised to conduct its insurance business in the United Kingdom. This will primarily be with companies that are registered members of the Association of British Insurers (ABI) but on occasions can also consist of non-members (such as TSB Bank plc).

When any claim arises or is made under any insurance policy relating to the property, the Seller shall have the power and authority to settle and adjust with the insurers any question relating to such insurance. The Seller's receipt for any monies receivable under any such policy shall be a sufficient discharge to the insurers. The Seller may in its discretion apply any such monies in or towards the reinstatement of the property or the redemption of the mortgage, and shall pay the surplus (if any) to the person entitled thereto.

Whenever any fire, life or other insurance of whatever kind is effected through the Seller's agency, all sums allowed to the Seller by way of commission or otherwise by the insurers shall belong absolutely to the Seller and it shall not be required to account therefor.

A Borrower may apply for insurance when they make a mortgage application. If such an application is received, the Seller will pass the application to UK Insurance Limited, who will deal with the Borrower and issue cover. UK Insurance Limited's registered number is 1179980 and its address is The Wharf, Neville Street, Leeds LS1 4AZ. The Seller has no involvement in the provision of such insurance other than passing on the Borrower's initial application.

Household Contingency Policy

In addition, the Seller is insured under a Household Contingency Policy. The Household Contingency Policy provides cover up to £2,500,000 in any one claim. It is envisaged that the amounts recovered under the policy would be generally used by the Seller to fund the reinstatement of the property or otherwise paid to the Seller to reduce the amount of the loan. The Seller will assign its rights under this policy to the Issuer for any Loan sold by it which is in the Portfolio.

SUMMARY OF THE PRINCIPAL DOCUMENTS

Trust Deed

The Trust Deed, made between the Issuer, the LLP, the Bond Trustee and the Security Trustee, is the principal agreement governing the Covered Bonds. The Trust Deed was made on 1 April 2010, as supplemented on 29 February 2012, 16 May 2013, 19 December 2014, 10 July 2015, 19 December 2016, 6 June 2018, 28 February 2019, 22 September 2020, 14 November 2024 and on or about the date of this Prospectus. The Issuer and the Bond Trustee agreed to enter into the Sixth Supplemental Trust Deed dated on 6 June 2018 to reflect the transfer of certain elements of RBS's business to NatWest under the Ring Fencing Transfer Scheme.

The Trust Deed contains provisions relating to, *inter alia*:

- the constitution of the Covered Bonds and the terms and conditions of the Covered Bonds (as more fully set out under Terms and Conditions of the Covered Bonds above);
- the covenants of the Issuer and the LLP;
- the terms of the Covered Bond Guarantee (as described below);
- the terms on which the Bond Trustee may or shall consent (or direct the Security Trustee to consent) to certain modifications or waivers to the Transaction Documents and the Covered Bonds, for further information see Conditions 14(d)(vi) to (x) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) the enforcement procedures relating to the Covered Bonds and the Covered Bond Guarantee; and
- the appointment, powers and responsibilities of the Bond Trustee and the circumstances in which the Bond Trustee may resign or retire or be removed.

Covered Bond Guarantee

Under the terms of the Covered Bond Guarantee, if the Issuer defaults in the payment on the due date of any monies due and payable under or pursuant to the Trust Deed or the Covered Bonds or Coupons, if any other Issuer Event of Default occurs (other than by reason of non-payment) or if an LLP Event of Default occurs, the LLP has agreed (subject as described below) to pay or procure to be paid (following service of an Issuer Acceleration Notice and Notice to Pay or, if applicable, an LLP Acceleration Notice) unconditionally and irrevocably to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders), an amount equal to that portion of the Guaranteed Amounts which shall become Due for Payment but would otherwise be unpaid, as of any Original Due for Payment Date or, if applicable, Extended Due for Payment Date, by the Issuer (or an amount which would have become Due for Payment but for any variation, discharge or release of the Guaranteed Amounts). Under the Covered Bond Guarantee, the Guaranteed Amounts will become due and payable on any earlier date on which an LLP Acceleration Notice is served.

Following the occurrence of an Issuer Event of Default and after the Covered Bonds have been declared due and payable by the Bond Trustee as against the Issuer, the Bond Trustee will serve a Notice to Pay on the LLP. Payment by the LLP of the Guaranteed Amounts pursuant to the Covered Bond Guarantee will be made on the later of: (a) the day that is two (2) London Business Days following service of a Notice to Pay on the LLP; or (b) the day on which the Guaranteed Amounts are otherwise Due for Payment.

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 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 by any authority therein or thereof having the power to tax unless the withholding or deduction of such taxes, assessments or governmental charges is required by law. If any such withholding or deduction is required, the LLP will 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 will not be obliged to pay any amount to the Bond Trustee or any holder of Covered Bonds in respect of the amount of such withholding or deduction.

Under the terms of the Covered Bond Guarantee, the LLP agrees that its obligations under the Covered Bond Guarantee shall be as principal debtor and not merely as surety and shall be absolute and (following service of an Issuer Acceleration Notice and Notice to Pay or an LLP Acceleration Notice) unconditional, irrespective of, and unaffected by, any invalidity, irregularity or unenforceability of, or defect in, any provisions of the Trust Deed or the Covered Bonds or Coupons or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee or any of the Covered Bondholders or Couponholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor.

Subject to the grace period specified in Condition 9(b)(i) (*LLP Events of Default*) of the Conditions, failure by the LLP to pay the Guaranteed Amounts when Due for Payment will result in an LLP Event of Default.

The Trust Deed provides that any 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 Deposit 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 Deposit Accounts. Any Excess Proceeds received by the Bond Trustee shall discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds and Coupons. However, the obligations of the LLP under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and Notice to Pay or, if earlier, 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 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.

The Trust Deed is governed by English law.

Intercompany Loan Agreement

On each Issue Date, the Issuer will use the proceeds of the Covered Bonds issued under the Programme to lend on that date an amount equal to the Principal Amount Outstanding on the Issue Date of the issue of the related Covered Bonds to the LLP by way of a Term Advance pursuant to the Intercompany Loan Agreement. Each Term Advance will be made in the Specified Currency of the relevant Series or Tranche, as applicable, of the Covered Bonds, as set out in the applicable Final Terms, and will (if required) be swapped into Sterling pursuant to the relevant Covered Bond Swap. The Term Advance or the Sterling Equivalent of each Term Advance, as applicable, will be used by the LLP: (a) as consideration in part for the acquisition of Loans and their Related Security from the Seller pursuant to the terms of the Mortgage Sale Agreement, as described under "*– Mortgage Sale Agreement – Sale by the Seller of Loans and Related Security*" below; and/or (b) to invest in

Substitution Assets in an amount not exceeding the prescribed limit to the extent required to meet the requirements of Regulations 23 and 24(1)(a) of the RCB Regulations and the Asset Coverage Test and thereafter may be applied by the LLP: (i) as consideration in part for the acquisition of Loans and their Related Security from the Seller pursuant to the terms of the Mortgage Sale Agreement, as described under "– *Mortgage Sale Agreement – Sale by the Seller of Loans and Related Security*" below; and/or (ii) to invest in Substitution Assets in an amount not exceeding the prescribed limit; and/or (c) (subject to satisfying the Asset Coverage Test) to make a Capital Distribution to a Member; and or (d) if an existing Series or Tranche, or part of an existing Series or Tranche, of Covered Bonds is being refinanced by such issue of Covered Bonds, to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced; and/or (e) to make a deposit in the Deposit Account (including, without limitation, to fund the Reserve Fund in an amount not exceeding the prescribed limit). Each Term Advance will bear interest at a rate of interest equal to the rate of interest payable on the corresponding Series or Tranche, as applicable, of Covered Bonds.

The Issuer will not be relying on repayment of any Term Advance in order to meet its repayment obligations under the Covered Bonds. The LLP will pay amounts due in respect of Term Advances(s) in accordance with the relevant Priorities of Payments. Prior to the service of an Asset Coverage Test Breach Notice (which remains outstanding) or a Notice to Pay on the LLP, amounts due in respect of each Term Advance will be paid by the LLP to, or as directed by, the Issuer on each Interest Payment Date, subject to paying all higher ranking amounts in the Pre-Acceleration Revenue Priority of Payments or, as applicable, the Pre-Acceleration Principal Priority of Payments. The Issuer may use the proceeds of the Term Advances to pay amounts due on the Covered Bonds. However, any failure by the LLP to pay any amounts due on the Term Advances will not affect the liability of the Issuer to pay the relevant amount due on the Covered Bonds. For so long as an Asset Coverage Test Breach Notice is outstanding, the LLP may not borrow any new Term Advances (and the Issuer may not make any new Term Advances) under the Intercompany Loan Agreement.

The amounts owed by the LLP to the Issuer under the Term Advances will be reduced by: (a) any amounts paid by the LLP under the terms of the Covered Bond Guarantee to repay the Covered Bonds (the proceeds of which were originally applied to make such Term Advances); and (b) the Principal Amount Outstanding of any Covered Bonds (the proceeds of which were originally applied to make such Term Advances) purchased by the LLP and cancelled in accordance with Condition 6(h) (*Cancellation*).

The Intercompany Loan Agreement is governed by English law.

Mortgage Sale Agreement

The Seller

Following the RFTS Effective Date, the RBS Mortgage Sale Agreement and the NWB Mortgage Sale Agreement have been consolidated into the Third Amended and Restated NWB Mortgage Sale Agreement such that the LLP shall be party to only one Mortgage Sale Agreement from the RFTS Effective Date. This Mortgage Sale Agreement was entered into on 1 April 2010 and amended and restated on 19 December 2014, 10 July 2015, 6 June 2018, 22 September 2020 and 22 May 2023. Loans and their Related Security have been sold to the LLP from time to time pursuant to the terms of the Mortgage Sale Agreement. In respect of any Scottish Loan, such Loan is held on trust for the benefit of the LLP pursuant to the Scottish Declarations of Trust.

Sale by the Seller of Loans and Related Security

The Portfolio will consist of Loans and their Related Security sold from time to time by the Seller to the LLP in accordance with the terms of the Mortgage Sale Agreement. The types of Loans forming part of the Portfolio will vary over time provided that, at the time the relevant Loans are sold to the

LLP, the Eligibility Criteria (as described below) in respect of such Loans are met on the relevant Transfer Date. Accordingly, the Portfolio may, at any time, include Loans with characteristics that were not being offered to Borrowers on previous Transfer Dates.

Prior to the occurrence of the earlier of an Issuer Event of Default or an LLP Event of Default, the LLP will acquire Loans and their Related Security from NatWest in the three circumstances described below.

(a) First, in relation to the issue of Covered Bonds from time to time in accordance with the Programme, the Issuer will make Term Advances to the LLP, the proceeds of which may be applied in whole or in part by the LLP to acquire Loans and their Related Security from the Seller. In exchange for the sale of the Loans and their Related Security to the LLP, the Seller will receive an amount equal to the True Balance of those Loans sold by it as at the Transfer Date, which will be satisfied by a combination of:

    (i) a cash payment to be made by the LLP from the proceeds of the relevant Term Advance and/or from Available Principal Receipts unless an Asset Coverage Test Breach Notice has been served and remains outstanding; and/or

    (ii) the Seller being treated as having made a Capital Contribution in Kind in an amount equal to the difference between the True Balance of the Loans sold by the Seller as at the relevant Transfer Date and the cash payment (if any) made by the LLP to the Seller; and

    (iii) Deferred Consideration.

(b) Second, prior to service of an Asset Coverage Test Breach Notice on the LLP (which remains outstanding), the LLP will use the Available Principal Receipts to acquire Additional Loan Advances, Flexible Loan Drawings and New Loans and their Related Security from the Seller and/or Substitution Assets (in respect of any Substitution Assets, up to the prescribed limit) on each Business Day subject to providing for payment in respect of paragraph (a) of the Pre-Acceleration Principal Priority of Payments.

(c) Third, the LLP and NatWest (in its capacity as a Member of the LLP) are required to ensure that the Portfolio is maintained at all times in compliance with the Asset Coverage Test (as determined by the Cash Manager on each Calculation Date). If on any Calculation Date there is a breach of the Asset Coverage Test, the Seller will use all reasonable endeavours to offer to sell sufficient New Loans and their Related Security to the LLP (or procure the sale of such Loans by NatWest) on or before the next Calculation Date in consideration of NatWest (as applicable) being treated as having made a Capital Contribution in Kind (in an amount equal to the True Balance of the New Loans) sold by the Seller as at the relevant Transfer Date and in consideration of the right to receive the Deferred Consideration.

If Selected Loans and their Related Security are sold by or on behalf of the LLP as described below under "*LLP Deed – Sale of Selected Loans and their Related Security following service of a Notice to Pay*", the obligations of the Seller insofar as they relate to those Selected Loans and their Related Security will cease to apply.

The Seller will also be required to repurchase Loans and their Related Security sold to the LLP in the circumstances described under "*Repurchase of Loans*" below.

Eligibility Criteria

The sale of Loans and their Related Security to the LLP will be subject to various conditions (the **Eligibility Criteria**) being satisfied on the relevant Transfer Date or in respect of Additional Loan Advances, on the next Calculation Date, including:

(a) no Issuer Event of Default or LLP Event of Default under the Transaction Documents shall have occurred which is continuing as at the relevant Transfer Date;

(b) the LLP, acting on the advice of the Cash Manager, is not aware that the purchase of the Loans and their Related Security would adversely affect the then current ratings by Moody's or Fitch of the Covered Bonds;

(c) the weighted average yield on the Loans in the Portfolio (including the New Loans) is at least 0.2% greater than the SONIA Spot Rate published on the final London Business Day in the previous Calculation Period after taking into account (i) the weighted average yield on the Loans and (ii) the weighted average margins on the Interest Rate Swaps and (iii) the average yield on any Substitution Assets held by the LLP;

(d) no Loan has a True Balance of more than £2,600,000;

(e) no Loan to be sold on the First Transfer Date nor any subsequent Transfer Date relates to a Property which is not a residential property;

(f) as at the Transfer Date the aggregate True Balance of those Loans in the Portfolio (including the loans which it is proposed will be New Loans) which are NWG Staff Loans will not exceed 5% of the aggregate True Balance of all of the Loans in the Portfolio as at that date;

(g) as at the Transfer Date, the aggregate True Balance of those Loans in the Portfolio (including the loans which it is proposed will be New Loans) which are Payment Holiday Loans will not exceed 2% of the aggregate True Balance of all of the Loans in the Portfolio as at that date; and

(h) no Loan constitutes a New Loan Type, in respect of which the Rating Condition has not been satisfied in accordance with the terms of the Mortgage Sale Agreement.

On the relevant Transfer Date, the Representations and Warranties (described below in "*Representations and Warranties*") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the LLP.

If the conditions set out in paragraphs (f) and/or (g) above are breached on the relevant Transfer Date, such conditions shall be deemed to be satisfied or waived and there will be deemed to be a material breach of warranty in respect of any NWG Staff Loans and/or Payment Holiday Loans in the Portfolio to the extent that it would cause a breach of the relevant threshold.

If the Seller accepts an application from or makes an offer (which is accepted) to a Borrower for a Product Switch, Flexible Loan Drawing or Additional Loan Advance, then if any of the Eligibility Criteria referred to in paragraphs (c), (d), (e), (f), (g) and (h) above relating to the Loan subject to that Product Switch, Flexible Loan Drawing or Additional Loan Advance is not satisfied on the next following Calculation Date, the LLP will be entitled to rectify the relevant breach of those Eligibility Criteria by (in the event of a breach of the Eligibility Criteria in paragraph (c), (d), (e) or (h) above) requiring the Seller to repurchase the Loans subject to any Product Switch, Flexible Loan Drawing or Additional Loan Advance or (in the event of a breach of the Eligibility Criterion in paragraph (c)

above) by requiring NatWest (in its capacity as the Seller) to transfer or procure the transfer of further Loans to the LLP in an amount sufficient to ensure that the Eligibility Criterion in paragraph (c) above is met.

Transfer of Title to the Loans to the LLP

English Loans will be sold by the Seller to the LLP by way of equitable assignment. Scottish Loans will be sold by the Seller to the LLP on the First Transfer Date by way of Scottish Declarations of Trust and, in relation to Scottish Loans sold by the Seller to the LLP after the First Transfer Date, by further Scottish Declarations of Trust, under which the Seller declares a trust over the Scottish Loans and holds such Scottish Loans on trust for the benefit of the LLP and accordingly, the beneficial interest in such Scottish Loans will be transferred to the LLP. In relation to Scottish Loans, references in this document to a sale of Loans or to Loans having been sold are to be read as references to the making of such Scottish Declarations of Trust and transfer of the beneficial interest in such Scottish Loans to the LLP. Such beneficial interest (as opposed to the legal title) cannot be registered or recorded in the Registers of Scotland.

The legal title to the Loans will remain with NatWest until legal assignments or assignations (as appropriate) are effected between the Seller and the LLP and notice of the sale is given by or on behalf of the LLP to the Borrowers. Legal assignment or assignation (as appropriate) of the Loans and their Related Security (including, where appropriate, their registration or recording in the relevant property register) to the LLP will accordingly be deferred and will only take place in the limited circumstances described in this paragraph and below.

Subject as described in the above paragraph, legal assignment or assignation (as appropriate) of the Loans and their Related Security to the LLP (or, where specified, of the Selected Loans and their Related Security) will be completed on or before the twentieth Business Day after the earliest of the following:

(a) the occurrence of an Issuer Event of Default under Condition 9(a) (*Issuer Events of Default*) and service on the Issuer of an Issuer Acceleration Notice and the service on the LLP of a Notice to Pay, unless the Seller has notified the LLP that it will accept an offer set out in any Selected Loan Offer Notice within the prescribed time;

(b) in respect of Selected Loans only, at the request of the LLP following the acceptance of any offer to sell the Selected Loans and their Related Security to any person who is not the Seller;

(c) the Seller and/or the LLP being required: (i) by law; (ii) by an order of a court of competent jurisdiction; (iii) by a regulatory authority which has jurisdiction over the Seller; or (iv) by any organisation of which the Seller is a member, or whose members comprise, but are not necessarily limited to, mortgage lenders and with whose instructions it is customary for the Seller to comply, to perfect legal title to the Loans;

(d) the date on which the Seller ceases to be assigned a long-term unsecured, unsubordinated debt obligation rating by Moody's of at least Baa3 or by Fitch of at least BBB;

(e) (unless otherwise agreed by the Security Trustee) the termination of the Seller's role as the Servicer under the Servicing Agreement in respect of the Loans sold by it to the LLP unless the substitute Servicer is a member of the NatWest Group;

(f) the occurrence of an Insolvency Event in respect of NatWest; and

(g) the Seller requesting a transfer by way of assignment or assignation (as appropriate) by giving notice in writing to the LLP and the Security Trustee.

Pending completion of the transfer, the right of the LLP to exercise the powers of the legal owner of, or (in Scotland) the heritable creditor under, the Loans and the related Mortgages will be secured by, or (in Scotland) supported by, an irrevocable power of attorney granted by the Seller in favour of the LLP and the Security Trustee.

Except where lodged with the relevant registry in relation to any registration or recording which may be pending at HM Land Registry or the Registers of Scotland, and save in relation to Loans which are Dematerialised Loans, the Title Deeds and Loan Files relating to the Loans in the Portfolio will be held by or to the order of the Seller or the Servicer, as the case may be, or by solicitors, licensed conveyancers or (in Scotland) qualified conveyancers acting for the Seller in connection with the creation of the Loans and their Related Security. The Seller or the Servicer, as the case may be, will undertake that, save in relation to Loans which are Dematerialised Loans, all the Title Deeds and Loan Files relating to the Loans in the Portfolio which are at any time in their possession or under their control or held (either in wet-ink or electronic copy) to their order will be held to the order of the Security Trustee or as the Security Trustee may direct.

Representations and Warranties

None of the LLP, the Security Trustee and/or the Bond Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Loans and their Related Security to be sold to the LLP. Instead, each is relying entirely on the representations and warranties given by the Seller contained in the Mortgage Sale Agreement. The parties to the Mortgage Sale Agreement may, with the prior written consent of the Security Trustee (which shall be given if the Rating Condition has been satisfied in respect of the proposed amendment), amend the representations and warranties in the Mortgage Sale Agreement. The principal representations and warranties are as follows and are given on the relevant Transfer Date in respect of the Loans and Related Security to be sold to the LLP only on that date and on the Calculation Date following the making of any Additional Loan Advance or Product Switch in respect of the Loan to which the Additional Loan Advance or Product Switch relates only:

- each Loan was originated or purchased by the Seller in the ordinary course of business not less than one calendar month prior to the relevant Transfer Date and was denominated in pounds Sterling upon origination or acquisition;

- at least one monthly payment due in respect of each Loan has been paid by the relevant Borrower;

- no Loan has a True Balance of more than £2,600,000;

- no Loan in the Portfolio is an Off-Set Loan;

- prior to the making of each advance under a Loan, the Lending Criteria and all preconditions to the making of any Loan were satisfied in all material respects, subject only to exceptions and waivers as would be acceptable to a Reasonable, Prudent Mortgage Lender;

- the True Balance on each Loan and its Related Security constitute a legal, valid, binding and enforceable debt due to the Seller from the relevant Borrower and the terms of each Loan and its Related Security constitute valid and binding obligations of the Borrower enforceable in accordance with their terms and non-cancellable except that enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the court's discretion in relation to equitable remedies;

- all approvals, consents and other steps necessary to permit a legal or equitable or beneficial transfer, or a transfer of servicing or other disposal as and in the manner contemplated by the Transaction Documents from the Seller to the LLP, of the Loans and their related Mortgages to be sold under the Mortgage Sale Agreement have been obtained or taken and there is no requirement in order for the transfer to be effective to obtain the consent of the Borrower before, on or after any equitable or beneficial transfer or before any legal transfer of the Loans and their related Mortgages and such transfer or disposal shall not give rise to any claim by the Borrower against the LLP, the Security Trustee or any of their successors in title or assigns;

- all of the Properties are located in England, Wales or Scotland;

- all of the Borrowers are individuals (and not partnerships) and were aged eighteen (18) years or older at the date they executed the relevant Mortgage;

- none of the terms in any Loan or its Related Security is not binding by virtue of it being unfair within the meaning of the UTCCR or the CRA (except that the Seller makes no representation as to the fairness or otherwise of terms which relate to its ability to vary the rate of interest or its right to unilaterally revoke its consent to letting);

- no Buy-to-Let Loan constitutes a "consumer buy-to-let mortgage contract" as defined under the Mortgage Credit Directive Order 2015 (the **MCDO**);

- no agreement for any Loan is or at any time has been in whole or in part a "consumer credit back book mortgage contract" as defined under the MCDO;

- not more than twelve (12) months (or two (2) years in the case of a Re-Mortgage or Additional Loan Advance made prior to the relevant Transfer Date) prior to the granting of each Mortgage, the Seller received a Valuation Report on the relevant Property (or another form of report concerning the valuation of the relevant Property as would be acceptable to a Reasonable, Prudent Mortgage Lender), the contents of which were such as would be acceptable to a Reasonable, Prudent Mortgage Lender (except in relation to newly built properties where no such valuation was received, and in respect of which the Seller shall have received confirmation of the purchase price of the relevant property from the solicitor responsible for registering the Seller's security in relation to such property);

- prior to the inception of each Mortgage, the Seller:

  – instructed its solicitor or licensed conveyancer or (in Scotland) qualified conveyancer to carry out an investigation of title to the relevant mortgaged property and to undertake such other searches, investigation, enquiries and other actions on behalf of the Seller as are set out in the instructions which the Seller issued to the relevant solicitor, licensed conveyancer or qualified conveyancer as are set out in the case of English Loans in the UK Finance Mortgage 's Lenders' Handbook for England and Wales and, in the case of Scottish Loans, the UK Finance Mortgage Lenders' Handbook for Scotland (or such comparable, predecessor or successor instructions and/or guidelines as may for the time being be in place), subject only to such variations as would have been acceptable to a Reasonable, Prudent Mortgage Lender at the relevant time; and

  – received a report on title from the solicitor or licensed conveyancer or (in Scotland) qualified conveyancer referred to above, relating to such mortgaged property, the

contents of which were such as would have been acceptable to a Reasonable, Prudent Mortgage Lender at that time;

- each Property was at the time of inception of the Mortgage insured under:

  – a Buildings Insurance Policy arranged by the Borrower in accordance with the Mortgage Conditions; or

  – a Buildings Insurance Policy arranged by the Seller; or

  – with respect to leasehold mortgaged properties, a Buildings Insurance Policy arranged by the relevant landlord,

  and in all cases: (a) against risks usually covered by a comprehensive building insurance policy; (b) with the interest of the Seller noted thereon with effect from the origination of the relevant Loan in the event that it exceeds £1,500,000; and (c) the Seller has received no notice from the Borrower that any Property has ceased to be insured at all;

- immediately prior to the purchase of any Loan and the Related Security by the LLP, and subject to registration or recording at the Land Registry, the Seller has good title to, and is the absolute unencumbered legal and beneficial owner of, all property, interests, rights and benefits in relation to the Loans and Related Security agreed to be sold and/or assigned by the Seller to the LLP pursuant to the Mortgage Sale Agreement free and clear of all Security Interests, claims and equities (including, without limitation, rights of set-off or counterclaim and overriding interests within the meaning of section 3(xvi) of the Land Registration Act 1925), that subject only to the Mortgage Sale Agreement and the Borrower's equity of redemption and the Seller is not in breach of any covenant implied by reason of its selling the relevant Portfolio with full title guarantee or, in the case of any Scottish Loans, with absolute warrandice;

- the Seller has, since the making of each Loan, kept or procured the keeping of full and proper accounts, books and records as are necessary to show all material transactions, payments, receipts, proceedings and notices relating to such Loan;

- there are no governmental authorisations, approvals, licences or consents required as appropriate for the Seller to enter into or to perform its obligations under the Mortgage Sale Agreement or to make the Mortgage Sale Agreement legal, valid, binding, enforceable and admissible in evidence in a court in England and Wales which have not been obtained;

- each Loan and its Related Security will be "eligible property" for the purposes of Regulation 2 of the RCB Regulations; and

- the rate of interest under each Loan is charged in accordance with the Standard Documentation, subject to the terms of any offer letter in relation thereto.

If New Loan Types are to be sold to the LLP, then the representations and warranties in the Mortgage Sale Agreement will be modified as required to accommodate these New Loan Types. The prior consent of the Covered Bondholders to the requisite amendments will not be required to be obtained.

Repurchase of Loans

If the Seller receives a Repurchase Notice from the Cash Manager identifying a Loan or its Related Security in the Portfolio which does not, as at the relevant Transfer Date or relevant Calculation Date (in the case of an Additional Loan Advance, Flexible Loan Drawing or Product Switch), materially

comply with the Representations and Warranties set out in the Mortgage Sale Agreement, then the Seller will be required to repurchase: (a) any such Loan and its Related Security; and (b) any other Loans of the relevant Borrower and their Related Security that are included in the Portfolio that are in breach of the Representations and Warranties. The repurchase price payable upon the repurchase of any Loan is an amount (not less than zero) equal to the True Balance plus fees, Accrued Interest and Arrears of Interest thereof as at the relevant repurchase date. The repurchase proceeds received by the LLP will be applied (other than fees, Accrued Interest and Arrears of Interest) in accordance with the Pre-Acceleration Principal Priority of Payments (see "*Cashflows*" below).

In addition to the foregoing circumstances, the Seller will also be required to repurchase a Loan or Loans and its or their Related Security sold by the Seller to the LLP where:

(a) an Additional Loan Advance, Flexible Loan Drawing or a Product Switch made in respect of a Loan results in certain Eligibility Criteria being breached; or

(b) a proposed Product Switch, Flexible Loan Drawing or Additional Loan Advance would result in the LLP being required to be regulated by the FCA by reason of it carrying on a mortgage-related regulated activity. In these circumstances, if the Seller or Borrower accepts an offer for the Product Switch, the Servicer or administrator (as the case may be) will notify the LLP and the Seller will be required to repurchase the affected Loan or Additional Loan Advance before the Product Switch takes place.

Defaulted Loans

If the Seller receives a Defaulted Loans Notice from the Cash Manager or, where the Seller is in the same group as the Cash Manager, a schedule, in each case, identifying any Defaulted Loan, then that Defaulted Loan will be attributed a reduced weighting in the calculation of the Asset Coverage Test and the Amortisation Test as at the relevant Calculation Date. In addition, the Seller may, at its option, offer to repurchase a Defaulted Loan and its Related Security from the LLP for an amount equal to its True Balance plus fees, Accrued Interest and Arrears of Interest as at the date of repurchase.

General ability to repurchase

Prior to the occurrence of an Issuer Event of Default, the Seller may from time to time offer to repurchase a Loan and its Related Security sold by it to the LLP from the LLP for a purchase price of not less than the aggregate True Balance plus Accrued Interest and Arrears of Interest of the relevant Loan. The LLP may accept such offer at its discretion.

Right of pre-emption

Under the terms of the Mortgage Sale Agreement, the Seller has a right of pre-emption in respect of any sale, in whole or in part, of Selected Loans and their Related Security.

The LLP will serve on the Seller a Selected Loan Offer Notice offering to sell those Selected Loans and their Related Security for an offer price equal to (a) where the Selected Loan Offer Notice is given because the Issuer has failed the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds, the greater of the then True Balance of the Selected Loans, together with all fees, Accrued Interest and Arrears of Interest thereon, and the Adjusted Required Redemption Amount; (b) where the Selected Loan Offer Notice is given following the service of an Asset Coverage Test Breach Notice but prior to the service of a Notice to Pay, the True Balance of the Selected Loans, together with all fees, Accrued Interest and Arrears of Interest thereon; or (c) where the Selected Loan Offer Notice is given following the service of a Notice to Pay, the greater of the True Balance of the Selected Loans, together with all fees, Accrued Interest and Arrears of Interest thereon, and the

Adjusted Required Redemption Amount, in each case subject to the offer being accepted by the Seller within ten (10) London Business Days. If an Issuer Event of Default has occurred but no liquidator or administrator has been appointed to NatWest or no bank liquidator or bank administrator has been appointed to NatWest, then NatWest's right to accept the offer (and therefore its right of pre-emption) will be conditional upon the delivery by NatWest of a solvency certificate to the LLP and the Security Trustee. If the Seller rejects the LLP's offer or fails to accept it in accordance with the foregoing, the LLP will offer to sell the Selected Loans and their Related Security to other Purchasers (as described under "*LLP Deed – Sale of Selected Loans and their Related Security following service of an Asset Coverage Test Breach Notice*" below).

If the Seller validly accepts the LLP's offer to sell the Selected Loans and their Related Security, the LLP will, within three (3) London Business Days of such acceptance, serve a Selected Loans Repurchase Notice on the Seller. The Seller will sign and return a duplicate copy of the Selected Loans Repurchase Notice and will repurchase from the LLP free from the Security created by and pursuant to the Deed of Charge the relevant Selected Loans and their Related Security (and any other Loan secured or intended to be secured by that Related Security or any part of it) referred to in the relevant Selected Loan Repurchase Notice. Completion of the purchase of the Selected Loans and their Related Security by the Seller will take place on the LLP Payment Date after receipt of the Selected Loans Repurchase Notice(s) or such date as the LLP may direct in the Selected Loans Repurchase Notice (provided that such date is not later than the earlier to occur of the date which is: (a) ten (10) London Business Days after returning the Selected Loans Repurchase Notice to the LLP; and (b) the Final Maturity Date, as applicable, of the Hard Bullet or Earliest Maturing Covered Bonds).

For the purposes hereof:

Adjusted Required Redemption Amount means the Sterling Equivalent of:

(a) the Required Redemption Amount;

plus (if an amount is payable by the LLP) or minus (if an amount is payable to the LLP)

(b) any swap termination amounts payable to or by the LLP under the relevant Covered Bond Swap Agreement in respect of the relevant Series of Covered Bonds;

plus (if an amount is payable by the LLP) or minus (if an amount is payable to the LLP)

(c) any swap termination amounts payable to or by the LLP under the Interest Rate Swap Agreement in respect of the relevant Series of Covered Bonds;

minus

(d) (i) in respect of a sale in connection with the Pre-Maturity Test, amounts standing to the credit of the Pre-Maturity Liquidity Ledger that are not otherwise required to provide liquidity for any Series of Hard Bullet Covered Bonds which mature prior to or on the same date as the relevant Series of Hard Bullet Covered Bonds; or

(ii) in respect of a sale following service of a Notice to Pay, amounts standing to the credit of the Deposit Account and the principal balance of any Substitution Assets and Authorised Investments (excluding all amounts to be applied on the next following LLP Payment Date to pay or repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any

Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds); and

Required Redemption Amount means, in respect of a Series of Covered Bonds, the amount calculated as follows:

the Principal Amount Outstanding of the relevant Series of Covered Bonds	x	1+ Negative Carry Factor x (days to maturity of the relevant Series of Covered Bonds/365)

Further drawings under Loans

The Seller is solely responsible for funding all Additional Loan Advances and Flexible Loan Drawings in respect of Loans sold by the Seller to the LLP, if any. The amount of the Seller's Capital Contribution will increase by the amount of the funded Additional Loan Advances.

New Sellers

The sale of New Loans and their Related Security by New Sellers to the LLP will be subject to certain conditions, including the following:

- each New Seller accedes to the terms of the LLP Deed as a Member (with such subsequent amendments as may be agreed by the parties thereto) so that it has, in relation to those New Loans and their Related Security to be sold by the relevant New Seller, substantially the same rights and obligations as the Seller has in relation to those Loans and their Related Security comprised in the Initial Portfolio under the LLP Deed;

- each New Seller accedes to the terms of the Mortgage Sale Agreement (with such subsequent amendments as may be agreed by the parties thereto) or enters into a new mortgage sale agreement with the LLP and the Security Trustee, in each case so that it has, in relation to those New Loans and their Related Security to be sold by the relevant New Seller, substantially the same rights and obligations as the Seller has in relation to those Loans and their Related Security comprised in the Initial Portfolio under the Mortgage Sale Agreement;

- each New Seller accedes to the Programme Agreement and enters into such other documents as may be required by the Security Trustee, Bond Trustee and/or the LLP (acting reasonably) to give effect to the addition of a New Seller to the transactions contemplated under the Programme;

- any New Loans and their Related Security sold by a New Seller to the LLP comply with the Eligibility Criteria and representations and warranties equivalent to the Representations and Warranties set out in the Mortgage Sale Agreement;

- either the Servicer services the New Loans and their Related Security sold by a New Seller on the terms set out in the Servicing Agreement (with such subsequent amendments as may be agreed by the parties thereto) or the New Seller (or its nominee) enters into a servicing agreement with the LLP and the Security Trustee which sets out the servicing obligations of the New Seller (or its nominee) in relation to the New Loans and their Related Security and which is on terms substantially similar to the terms set out in the Servicing Agreement (fees payable to the Servicer or the New Seller (or its nominee) acting as servicer of such New Loans and their Related Security would be determined on the date of the accession of the New Seller to the Programme); and

- the Rating Condition has been satisfied in relation thereto.

If the above conditions are met, the consent of the Covered Bondholders will not be obtained to the accession of a New Seller to the Programme and the Bond Trustee and the Security Trustee shall agree to any modification to the terms of the Transaction Documents to effect the accession of a New Seller to the Programme.

The Mortgage Sale Agreement is governed by English law (other than certain aspects relating to the Scottish Loans and their Related Security, which are governed by Scots law).

Servicing Agreement

Pursuant to the terms of the Servicing Agreement, NatWest (in its capacity as the Servicer) has agreed to service on behalf of the LLP the Loans and their Related Security sold by the Seller to the LLP.

The Servicing Agreement was entered into on 1 April 2010 and amended and restated on 19 December 2014, 10 July 2015, 6 June 2018 and 22 September 2020. On 1 November 2012 NWHL novated its rights and obligations as Servicer under the Servicing Agreement to NatWest pursuant to the Deed of Novation. The Servicing Agreement was further amended and restated on 6 June 2018 in order to reflect the transfer of certain elements of RBS's business to NatWest under the Ring Fencing Transfer Scheme. The Servicer may, in some circumstances, delegate some or all of its responsibilities and obligations under the Servicing Agreement. However, the Servicer will remain liable at all times for the servicing of the relevant Loans and for the acts and omissions of any delegate or such contractor. Following the RFTS Effective Date, delegation arrangements that were in place between NatWest and RBS have been terminated.

The Servicer will be required to administer the Loans in accordance with the Servicing Agreement and:

(a) as if the Loans and their Related Security sold by the Seller to the LLP had not been sold to the LLP but remained with the Seller; and

(b) in accordance with the Seller's administration, arrears and enforcement policies and procedures forming part of the Servicer's policy from time to time as they apply to those Loans.

The Servicer's actions in servicing the Loans in accordance with its procedures will be binding on the LLP and the Secured Creditors.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the LLP in relation to the Loans and their Related Security that it is servicing pursuant to the terms of the Servicing Agreement, and to do anything which it reasonably considers necessary or convenient or incidental to the administration of those Loans and their Related Security.

Undertakings of the Servicer

Pursuant to the terms of the Servicing Agreement, the Servicer will undertake in relation to those Loans and their Related Security that it is servicing, *inter alia*, to:

- act as collection agent under the Direct Debiting Scheme;
- notify Borrowers of changes in their monthly payment;
- keep records and accounts on behalf of the LLP in relation to the Loans;

- keep the Loan Files and Title Deeds in its possession or under its control in safe custody and maintain records necessary to enforce each Mortgage and to provide the LLP and the Security Trustee with access to the Title Deeds (other than Title Deeds in relation to Loans which are Dematerialised Loans) and other records relating to the administration of the Loans and their Related Security;

- assist the auditors of the LLP;

- maintain a register in respect of the Portfolio;

- make available upon request to the LLP and the Security Trustee a report on a monthly basis containing information about the Loans and their Related Security comprised in the Portfolio;

- provide such information about the Loans and their Related Security contained in the Portfolio and/or such other information as the FCA may direct pursuant to the RCB Regulations;

- assist the Cash Manager in the preparation of a monthly asset coverage report and the quarterly Investor Report in accordance with the Cash Management Agreement;

- take all reasonable steps to recover all sums due to the LLP, including instituting proceedings and enforcing any relevant Loan or Mortgage using the discretion of a Reasonable, Prudent Mortgage Lender in applying the enforcement procedures forming part of the Seller's policy; and

- enforce any Loan which is in default in accordance with the Seller's enforcement procedures or, to the extent that such enforcement procedures are not applicable having regard to the nature of the default in question, with the usual procedures undertaken by a Reasonable, Prudent Mortgage Lender on behalf of the LLP.

Setting of Seller Standard Variable Rate and other discretionary rates and margins

Pursuant to the terms of the Mortgage Sale Agreement and in accordance with Mortgage Conditions applicable to certain of the Loans, the Seller has prescribed policies relating to interest rate setting, arrears management and handling of complaints which the LLP (and any subsequent purchaser thereof) will be required to adhere to following the transfer of Loans and their Related Security. Such arrears management and handling of complaints policies are consistent with those to be applied by the Servicer under the terms of the Servicing Agreement. The interest rate setting policy specified in the Mortgage Sale Agreement is only applicable to Loans with interest rates which may be varied from time to time in the discretion of the lender.

In addition to the undertakings described above, the Servicer has also undertaken in the Servicing Agreement to determine and set in relation to all the Loans in the Portfolio the LLP Variable Rate and any other discretionary rates and margins (in accordance with the policy to be adhered to by the LLP above) except in the limited circumstances described below in this subsection when the LLP will be entitled to do so. The Servicer will not at any time prior to service of a Notice to Pay on the LLP and/or the transfer of legal title to the Portfolio (or any part thereof) to the LLP, without the prior consent of the LLP, set or maintain:

(a) the LLP Variable Rate in respect of Discounted Rate Loans and Variable Rate Loans (excluding any Buy-to-Let Variable Rate Loans) applicable to the Loans sold by the Seller to the LLP and in the Portfolio at a rate which is higher than (although it may be lower than or

equal to) the then prevailing Seller Standard Variable Rate of the Seller which applies to mortgage loans beneficially owned by the Seller outside the Portfolio;

(b) the LLP Variable Rate, in respect of Variable Rate Flexible Loans at a rate which is higher than (although it may be lower than or equal to) the then prevailing Seller Flexible Choice Rate which applies to loans beneficially owned by the Seller outside the Portfolio;

(c) the LLP Variable Rate, in respect of the Buy-to-Let Variable Rate Loans, at a rate which is higher than (although it may be lower than or equal to) the then prevailing relevant Buy-to-Let Variable Rate which applies to loans beneficially owned by NatWest outside the Portfolio;

(d) a margin in respect of any relevant Tracker Rate Loan after the fixed tracker period (where applicable), Capped Rate Loans or Discounted Rate Loans which, where the relevant offer conditions provide that the margin shall be the same as the margin applicable to all other loans having the same offer conditions in relation to interest rate setting, is higher or lower than the margin then applying to those loans beneficially owned by the Seller outside the Portfolio;

(e) a margin in respect of any relevant Tracker Rate Loan after the fixed tracker period (where applicable), Capped Rate Loans or Discounted Rate Loans which is higher than (although it may be lower than or equal to) the margin which would then be set in accordance with the Seller's Policy from time to time in relation to those types of loans beneficially owned by the Seller outside the Portfolio; and

(f) any other discretionary rate or margin in respect of any other Loan sold by the Seller to the LLP and in the Portfolio which is higher than (although it may be lower than or equal to) the interest rate or margin which applies to that type of mortgage loan beneficially owned by the Seller outside the Portfolio.

In particular, the Servicer shall determine on each Calculation Date, having regard to:

(i) the income which the LLP would expect to receive during the next succeeding LLP Payment Period (the **Relevant LLP Payment Period**);

(ii) the LLP Variable Rate in respect of the Variable Rate Loans (including the Buy-to-Let Variable Rate Loans), the Variable Rate Flexible Loans, the Capped Rate Loans and the Discounted Rate Loans and any other discretionary rate or margin in respect of the Loans which the Servicer proposes to set under the Servicing Agreement for the Relevant LLP Payment Period;

(iii) the NatWest Base Rate and the BoE Base Rate (as applicable) in respect of the Tracker Rate Loans; and

(iv) the other resources available to the LLP including those under the Interest Rate Swap Agreement, the relevant Covered Bond Swap Agreements and the Reserve Fund,

whether the LLP would receive an amount of income during the Relevant LLP Payment Period which, when aggregated with the funds otherwise available to it, is less than the amount which is the aggregate of (A) the amount of interest which would be payable (or provisioned to be paid) under the Intercompany Loan on each LLP Payment Date falling at the end of the Relevant LLP Payment Period and relevant amounts payable (or provisioned to be paid) to the Covered Bond Swap Providers under the Covered Bond Swap(s) in respect of each Series of Covered Bonds with a Covered Bond Swap(s) in place on each LLP Payment Date of each Series of Covered Bonds falling at the end of

the Relevant LLP Payment Period and (B) the other senior expenses payable by the LLP ranking in priority thereto in accordance with the relevant Priority of Payments applicable prior to an LLP Event of Default and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security.

If the Servicer determines that there will be a shortfall in the foregoing amounts, it will give written notice to the LLP and the Security Trustee, within two (2) London Business Days of the amount of the shortfall. If the LLP or the Security Trustee notifies the Servicer that, having regard to the obligations of the LLP and the amount of the shortfall, further Loans and their Related Security should be sold by NatWest to the LLP pursuant to the Mortgage Sale Agreement, the Seller will use all reasonable endeavours to offer to sell New Loans and their Related Security to the LLP (or procure the sale by NatWest of New Loans and their Related Security to the LLP) on or before the next Calculation Date which have the Seller Standard Variable Rate and/or other discretionary rates or margins sufficient to avoid such shortfall on future Calculation Dates. In consideration of such sale, NatWest will be treated as having made a Capital Contribution (in an amount equal to the True Balance of the New Loans) sold by the Seller as at the relevant Transfer Date and will be entitled to receive the Deferred Consideration.

In addition, the Servicer shall determine on each Calculation Date following an Issuer Event of Default, having regard to the aggregate of:

(a) the LLP Variable Rate in respect of the Variable Rate Loans (including the Buy-to-Let Variable Rate Loans), the Variable Rate Flexible Loans, the Capped Rate Loans and the Discounted Rate Loans and any other discretionary rate or margin, in respect of the Loans which the Servicer proposes to set under the Servicing Agreement for the relevant LLP Payment Period;

(b) the NatWest Base Rate and the BoE Base Rate (as applicable) in respect of the Tracker Rate Loans; and

(c) the other resources available to the LLP including the Interest Rate Swap Agreement,

whether the LLP would receive an aggregate amount of interest on the Loans and amounts under the Interest Rate Swaps during the Relevant LLP Payment Period which would give an annual yield on the Loans of at least 0.2% plus the SONIA Spot Rate published on the final London Business Day in the previous Calculation Period (the **Yield Shortfall Test**).

If the Servicer determines that the Yield Shortfall Test will not be met, it will give written notice to the LLP and the Security Trustee, within two (2) London Business Days, of the amount of the shortfall and the LLP Variable Rate and the other discretionary rates or margins which would, in the Servicer's opinion, need to be set in order for no shortfall to arise, and the Yield Shortfall Test to be met, having regard to the date(s) on which the change to the LLP Variable Rate and the other discretionary rates or margins would take effect and at all times acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender. If the LLP notifies the Servicer that, having regard to the obligations of the LLP, the LLP Variable Rate and/or the other discretionary rates or margins should be increased, the Servicer or replacement Servicer, as the case may be, will take all steps which are necessary to increase the LLP Variable Rate and/or any other discretionary rates or margins including publishing any notice which is required in accordance with the Mortgage Conditions.

The LLP and the Security Trustee (to the extent it has actual knowledge of the occurrence of a Servicer Event of Default) may terminate the authority of the Servicer to determine and set the LLP Variable Rate and any other variable rates or margins on the occurrence of a Servicer Event of Default as defined under "*Removal or resignation of the Servicer*" below, in which case the LLP and

the Security Trustee will agree to appoint the replacement Servicer to set the LLP Variable Rate and the other discretionary rates or margins itself.

Compensation

As full compensation for its servicing duties and activities and as reimbursement for any expense incurred by it in connection therewith, the Servicer or any substitute servicer which is a member of the NatWest Group is entitled to receive the fee from the LLP as set out in the Servicing Agreement. If, however, a servicer is appointed from outside the NatWest Group, the level of this fee may be changed.

Removal or resignation of the Servicer

The LLP and the Security Trustee may, upon written notice to the Servicer, terminate the Servicer's rights and obligations immediately if any of the following events (each a **Servicer Termination Event** and each of the first three events set out below, a **Servicer Event of Default**) occurs:

- the Servicer defaults in the payment of any amount due to the LLP under the Servicing Agreement and fails to remedy that default for a period of ten (10) London Business Days after the earlier of the Servicer becoming aware of the default and receipt by the Servicer of written notice from the Security Trustee or the LLP requiring the same be remedied;

- the Servicer fails to comply with any of its other obligations under the Servicing Agreement, which failure in the opinion of the Security Trustee is materially prejudicial to the Covered Bondholders and does not remedy that failure within the earlier of twenty (20) London Business Days after the earlier of the Servicer becoming aware of the failure and receipt by the Servicer of written notice from the Security Trustee or the LLP requiring the same be remedied;

- an Insolvency Event occurs in relation to the Servicer; or

- the LLP resolves that the appointment of the Servicer should be terminated.

Upon the termination of the Servicer, the LLP (with the assistance of the Back-Up Servicer Facilitator) shall use reasonable endeavours to appoint a substitute servicer in accordance with the terms of the Servicing Agreement, provided that if:

(a) an entity is acting as a back-up or standby servicer to the Servicer as a consequence of the occurrence of a Back-Up Servicer Event;

(b) no event has occurred which would entitle the LLP to terminate the back-up or stand-by servicer's appointment under the agreement appointing the back-up or stand-by servicer; and

(c) the back-up or stand-by servicer is contractually committed to provide the services in relation to the Portfolio if the appointment of the Servicer is terminated pursuant to the Servicing Agreement, the appointment of the back-up or stand-by servicer shall satisfy the obligation of the LLP to appoint a substitute servicer.

Subject to the fulfilment of a number of conditions, the Servicer may voluntarily resign by giving not less than twelve (12) months' notice to the Security Trustee, the Back-Up Servicer Facilitator and the LLP, provided that a substitute servicer qualified to act as such under the FSMA (to the extent applicable) and with a management team with experience of servicing mortgages in the United Kingdom has been appointed and enters into a servicing agreement with the LLP substantially on the same terms as the Servicing Agreement, provided that if the LLP or the Servicer determines that no

substitute servicer would enter into a contract on substantially the same terms to those set out in the Servicing Agreement for a commercially reasonable fee taking into account prevailing market conditions, a replacement agreement may be entered into on reasonable commercial terms if the LLP or the Servicer certifies in writing to the Bond Trustee and the Security Trustee that the terms upon which it is proposed the back-up replacement servicer will be appointed are reasonable commercial terms taking into account the prevailing current market conditions. The resignation of the Servicer is conditional on the resignation having no adverse effect on the then current ratings of the Covered Bonds unless the Covered Bondholders agree otherwise by Extraordinary Resolution.

In addition, the appointment of the Servicer may be terminated by the Servicer upon the expiry of not less than sixty (60) days' notice of termination given by the Servicer to the LLP, the Back-Up Servicer Facilitator and the Security Trustee if (a) following a Perfection Event, the Servicer has certified to the LLP and the Security Trustee in writing that it cannot operationally continue to service the relevant Loans and their Related Security; or (b) a back-up or stand-by Servicer is appointed upon the occurrence of a Back-Up Servicer Event to service the Portfolio following the occurrence of a Ratings Event and such appointment is effective on and from the date of such termination.

If the appointment of the Servicer is terminated, the Servicer must deliver the Title Deeds and Loan Files relating to the Loans administered by it to, or at the direction of, the LLP. The Servicing Agreement will terminate at such time as the LLP has no further interest in any of the Loans or their Related Security sold to the LLP and serviced under the Servicing Agreement that have been comprised in the Portfolio.

Neither the Bond Trustee nor the Security Trustee is obliged to act as servicer in any circumstances.

Back-up Servicing Agreement

The Servicer and the LLP agree that, upon NatWest ceasing to be assigned a long-term unsecured, unguaranteed and unsubordinated debt obligation rating by Moody's of at least Baa3 or by Fitch of at least BBB- (a **Back-Up Servicer Event**), they will use best endeavours (with, in the case of the LLP, the assistance of the Back-Up Servicer Facilitator) to identify and appoint a suitable third party to act as a back-up or stand-by servicer (the **Back-Up Servicer**) to the Servicer within sixty (60) days of such Back-Up Servicer Event. Each Servicer and the LLP covenant that they will use best endeavours to procure that the agreement appointing the Back-Up Servicer contains an undertaking from the Back-Up Servicer that it will commence servicing the Portfolio upon the earlier to occur of (a) the date falling sixty (60) days following the date on which the Seller ceases to be assigned a long-term, unsecured, unguaranteed and unsubordinated debt obligation by Moody's of at least Ba2 by Moody's or by Fitch of at least BB (a **Ratings Event**) and (b) the termination of the Servicer as servicer pursuant to the termination clause in the Servicing Agreement (a **Servicer Termination**).

Any Back-Up Servicer appointed on or after the occurrence of a Back-Up Servicer Event will be paid a fee with regard to the services it performs as agreed separately between the LLP and the Back-Up Servicer (the **Back-Up Servicer Fee**). The amount of the Back-Up Servicer Fee will be added to the fees and costs that are payable to the Servicer by the LLP in accordance with the relevant Priorities of Payment and this Agreement, and the Servicer shall promptly following receipt of such amount pay the Back-Up Servicer Fee to the Back-Up Servicer or direct the LLP to pay such amounts directly to the Back-Up Servicer.

Back-Up Servicer Facilitator

The LLP has appointed the Back-Up Servicer Facilitator as its agent to, following the earlier to occur of a Back-Up Servicer Event and a Servicer Termination and in conjunction with the Servicer or, as applicable, the LLP, use best efforts to identify, on behalf of the LLP, a suitable entity to provide, in

the case of a Back-Up Servicer Event, back-up or stand-by services to the Servicer in accordance with the terms of the Servicing Agreement or, in the case of a Servicer Termination, serving servicers to the LLP.

The Servicing Agreement is governed by English law and is made by way of deed.

Asset Monitor Agreement

The Asset Monitor Agreement was entered into on the Initial Programme Date as amended and restated on 12 April 2013 and 6 June 2018 between the Asset Monitor, the LLP, the Cash Manager and the Security Trustee. The Asset Monitor Agreement was amended and restated on 6 June 2018 in order to reflect the transfer of certain elements of RBS's business to NatWest under the Ring Fencing Transfer Scheme.

Under the terms of the Asset Monitor Agreement, the Asset Monitor has agreed, subject to due receipt of the information to be provided by the Cash Manager to the Asset Monitor, to act as asset pool monitor (as defined in the RCB Regulations) and to report on the arithmetic accuracy of the calculations performed by the Cash Manager on the Calculation Date immediately prior to each anniversary of the Initial Programme Date with a view to confirmation of compliance by the LLP with the Asset Coverage Test on that Calculation Date.

For so long as NatWest is acting as Cash Manager, if the long-term ratings of the Cash Manager fall below Baa3 by Moody's or BBB- by Fitch, or if an Asset Coverage Test Breach Notice has been served and remains outstanding, the Asset Monitor will, subject to receipt of the relevant information from the Cash Manager, be required to report on such arithmetic accuracy following each Calculation Date and, following a determination by the Asset Monitor of any errors in the calculations performed by the Cash Manager such that the Asset Coverage Test has been failed on the applicable Calculation Date (where the Cash Manager had recorded it as being satisfied) or the Aggregate Adjusted Asset Amount is mis-stated by an amount exceeding 1% of the Aggregate Adjusted Asset Amount (as at the date of the relevant Asset Coverage Test), the Asset Monitor will be required to conduct such tests following each Calculation Date for a period of six (6) months thereafter.

The Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it by the Cash Manager for the purpose of reporting on the arithmetic accuracy is true and correct and not misleading, and is not required to report as such or otherwise take steps to verify the accuracy of any such information. The Asset Monitor Report will be delivered to the Cash Manager, the LLP, the Issuer, the Bond Trustee and the Security Trustee.

As of the Initial Programme Date, the LLP will pay to the Asset Monitor a fee of up to £5,000 per report (exclusive of VAT) for the reports to be performed by the Asset Monitor.

The LLP may, at any time, only with the prior written consent of the Security Trustee, terminate the appointment of the Asset Monitor by giving at least thirty (30) days' prior written notice to the Asset Monitor, and the Asset Monitor may, at any time, resign by giving at least sixty (60) days' prior written notice to the LLP and the Security Trustee.

Upon the Asset Monitor giving notice of resignation, the LLP shall immediately use all reasonable endeavours to appoint a replacement (such replacement to be approved by the Security Trustee unless the replacement is an accountancy firm of national standing) which agrees to perform the duties of the Asset Monitor set out in the Asset Monitor Agreement. If a replacement is not appointed by the date which is thirty (30) days prior to the date when tests are to be carried out in accordance with the terms of the Asset Monitor Agreement, then the LLP shall use all reasonable endeavours to appoint an accountancy firm of national standing to carry out the relevant tests on a one-off basis, provided that such appointment is approved by the Security Trustee.

Neither the Bond Trustee nor the Security Trustee will be obliged to act as Asset Monitor in any circumstances.

The Asset Monitor has also been appointed as the "Asset Pool Monitor" (as defined in the RCB Regulations) for the purposes of the RCB Regulations, as to which see further "*Description of the UK Regulated Covered Bond Regime*".

The Asset Monitor Agreement is governed by English law.

LLP Deed

The Members of the LLP have agreed to operate the business of the LLP in accordance with the terms of a limited liability partnership deed entered into on the Initial Programme Date between the LLP, NWHL, RBS, the Liquidation Member, the Bond Trustee and the Security Trustee (the **LLP Deed**).

On 1 November 2012 NWHL novated its membership under the LLP and its rights and obligations under the LLP Deed to NatWest.

The LLP Deed was amended and restated on 6 June 2018 in order to reflect the transfer of certain elements of RBS's business to NatWest under the Ring Fencing Transfer Scheme.

Members

As at the date of this Prospectus, each of NatWest and the Liquidation Member is a member (each a **Member**, and together with any other members from time to time, the **Members**) of the LLP.

NatWest and the Liquidation Member are designated members (each a **Designated Member**, and together with any other designated members from time to time, the **Designated Members**) of the LLP. The Designated Members shall have such duties as are specified in the LLPA 2000 or otherwise at law and in the LLP Deed. The LLP Deed requires that there will at all times be at least two (2) Designated Members of the LLP.

For so long as Covered Bonds are outstanding, if an administrator or a liquidator or a bank administrator or a bank liquidator is appointed to NatWest, the Liquidation Member may, by written notice to the LLP, appoint another Member as a Designated Member or may, at its sole discretion (acting on behalf of itself and the other Members), admit a New Member to the LLP (in each case with the prior written consent of the Security Trustee).

No New Member may be otherwise appointed without the consent of the Security Trustee and the Rating Condition being satisfied.

Capital Contributions

From time to time NatWest will make Capital Contributions to the LLP. Capital Contributions may be made in cash or in kind (e.g. through a contribution of Loans to the LLP). The amount of Capital Contributions attributable to each of the Members shall be calculated in Sterling on each Calculation Date in accordance with the formula set out in the LLP Deed. The sum of the Capital Contribution Balances will equal the difference between (a) the True Balance of the Portfolio as at the last day of the immediately preceding Calculation Period plus Principal Receipts standing to the credit of the LLP Accounts plus the principal amount of Substitution Assets and Authorised Investments as at the last day of the immediately preceding Calculation Period and (b) the Sterling Equivalent of the

aggregate Principal Amount Outstanding under the Covered Bonds as at the last day of the immediately preceding Calculation Period.

If, at any time, NatWest is acting as the Cash Manager and a Cash Manager Relevant Event occurs and is continuing, NatWest in its capacity as a Member of the LLP will:

(a) within five (5) London Business Days of the occurrence of the Cash Manager Relevant Event, notify the LLP, the Security Trustee, the Account Bank and each Covered Bond Swap Provider of such event;

(b) within ten London Business Days of the occurrence of that Cash Manager Relevant Event make a Cash Capital Contribution to the LLP in an aggregate amount equal to:

  (i) (in the case of each Term Advance where a Covered Bond Swap is not in place other than an Accumulation Series of Covered Bonds) the Required Coupon Amount payable on the immediately succeeding Loan Interest Payment Date for each such Term Advance; and/or

  (ii) (in the case of a Term Advance where a Covered Bond Swap is in place) the Required Coupon Amount payable on the next date on which the LLP is due to make a payment under the relevant Covered Bond Swap (other than those amounts due in respect of an Interim Exchange Date or Final Exchange Date (each as defined in the relevant Covered Bond Swap Agreement)) relating to each Term Advance; and/or

  (iii) (in the case of a Term Advance relating to an Accumulation Series of Covered Bonds) the Required Coupon Amount payable on the immediately succeeding LLP Payment Date for each such Term Advance; and

(c) thereafter, make a Cash Capital Contribution to the LLP not less than one London Business Day after in an aggregate amount equal to:

  (i) each Loan Interest Payment Date, in an amount equal to the aggregate of the Required Coupon Amount due on the next following Loan Interest Payment Date in respect of each Term Advance without a Covered Bond Swap in place other than an Accumulation Series of Covered Bonds; and/or

  (ii) each date on which the LLP is due to make a payment under a Covered Bond Swap, in an amount equal to the aggregate of the Required Coupon Amount due on the next date on which the LLP is due to make a payment under the relevant Covered Bond Swap in respect of each Term Advance with a Covered Bond Swap in place; and/or

  (iii) each LLP Payment Date, in an amount equal to the aggregate of the Required Coupon Amount due on the next following LLP Payment Date in respect of each Term Advance relating to an Accumulation Series of Covered Bonds.

Any such Cash Capital Contribution representing Required Coupon Amounts will be treated as a revenue item but will not form part of Available Revenue Receipts.

Within one (1) London Business Day of receipt of such Cash Capital Contribution from NatWest (as a Member of the LLP), the LLP will (or will procure that the Cash Manager will) transfer to the relevant Deposit Account (for credit to the Coupon Payment Ledger) an amount equal to the amount of the Cash Capital Contribution received by the LLP from NatWest (in its capacity as a Member of the LLP) in respect of paragraphs (b) and (c) above.

Whilst a Cash Manager Relevant Event is continuing (but prior to the service of a Notice to Pay or an LLP Acceleration Notice on the LLP) the LLP will, on each LLP Payment Date, fund the Coupon Payment Ledger in an amount equal to the aggregate of the Required Coupon Amount for the next following LLP Payment Date subject to and in accordance with the Pre-Acceleration Revenue Priority of Payments.

Within one (1) London Business Day of receipt of a Cash Capital Contribution from NatWest under paragraphs (b) above or (c) above (as applicable), the LLP will deliver an irrevocable payment instruction, instructing the Account Bank to:

(a) in the case of a Term Advance where no Covered Bond Swap is in place, no later than 11.00 a.m. (local time in the relevant financial centre of the payment or, in the case of a payment in euro, London time), on each date on which any payment of interest in respect of such Term Advance becomes due under the Conditions, make a payment from the Coupon Payment Ledger in an amount equal to the Required Coupon Amount for such Term Advance on the relevant Interest Payment Date to an account specified by the Principal Paying Agent to the Issuer and the LLP from time to time; and/or

(b) in the case of a Term Advance where a Covered Bond Swap is in place, on each date on which any payment is due under the relevant Covered Bond Swap(s) (other than any termination payment under the relevant Covered Bond Swap Agreement and any payment in respect of principal), make a payment from the Coupon Payment Ledger in an amount equal to the Required Coupon Amount for such Covered Bond Swap(s) on the relevant payment date under the Covered Bond Swap in accordance with the terms of the relevant Covered Bond Swap Agreement.

Required Coupon Amount means an aggregate amount equal to the Sterling Equivalent of:

(a) (in the case of each Term Advance where a Covered Bond Swap is not in place other than in respect of an Accumulation Series of Covered Bonds), interest due from the LLP on a relevant Term Advance for the immediately following Loan Interest Payment Date, provided that if the applicable rate of interest for calculating such amount is to be determined by reference to a Compounded Daily SONIA rate determined after the date on which the relevant Cash Capital Contribution is required to be made, the Required Coupon Amount will be calculated by the Cash Manager and will be an estimate of the amount of interest that will be due from the LLP on the relevant Term Advance on the immediately following Loan Interest Payment Date, and such estimate to be calculated on the basis of an issued interest rate for the relevant Interest Period equal to the sum of (x) the SONIA Spot Rate published for the London Business Date immediately preceding the date on which the relevant Cash Capital Contribution is required to be made, compounded daily over the Interest Period and (y) 0.15 per cent;

(b) (in the case of each Term Advance where a Covered Bond Swap is in place) an amount equal to the net amount due from the LLP under a Covered Bond Swap Agreement on a date on which the LLP is due to make a payment under a Covered Bond Swap (other than those amounts due in respect of an Interim Exchange Date or Final Exchange Date (as each of those terms is defined in the relevant Covered Bond Swap Agreement)) under the relevant Covered Bond Swap Agreement, provided that if the applicable rate of interest for calculating such amount is to be determined by reference to a Compounded Daily SONIA rate determined after the date on which the relevant Cash Capital Contribution is required to be made, the Required Coupon Amount will be an estimate of the amount due from the LLP under the Covered Bond Swap Agreement on the relevant Interest Payment Date, and such estimate to be calculated on the basis of an assumed interest rate for the relevant Covered

Bond Swap Observation Period equal to the sum of (x) the SONIA Spot Rate published for the London Business Date immediately preceding the date on which the relevant Cash Capital Contribution is required to be made, compounded daily over the Covered Bond Swap Observation Period and (y) 0.15 per cent; and

(c) (in the case of a Term Advance relating to an Accumulation Series of Covered Bonds), an amount equal to the LLP Monthly Interest Amount which would otherwise be payable by the LLP into the relevant Interest Accumulation Ledger on that relevant Term Advance for the immediately following LLP Payment Date.

Asset Coverage Test

Under the terms of the LLP Deed, the LLP and NatWest (in its capacity as a Member of the LLP) must ensure that on each Calculation Date, the Aggregate Adjusted Asset Amount is an amount at least equal to the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.

If on any Calculation Date, the Aggregate Adjusted Asset Amount is less than the aggregate Principal Amount Outstanding of all Covered Bonds as calculated on the relevant Calculation Date, then the Asset Coverage Test shall be deemed to be breached and the LLP (or the Cash Manager on its behalf) will notify the Members, the Bond Trustee and the Security Trustee thereof and the Seller will use all reasonable endeavours to sell or procure the sale of sufficient further Loans and their Related Security to the LLP in accordance with the Mortgage Sale Agreement (see "*Summary of the Principal Documents – Mortgage Sale Agreement – Sale by the Seller of Loans and Related Security*" above) or provide Cash Capital Contributions or Substitution Assets to ensure that the Asset Coverage Test is met on the next following Calculation Date. Any such Cash Capital Contributions will form part of Available Principal Receipts.

If the Aggregate Adjusted Asset Amount is less than the aggregate Principal Amount Outstanding of all Covered Bonds on the next following Calculation Date, the Asset Coverage Test will continue to be breached and the Bond Trustee will serve an Asset Coverage Test Breach Notice on the LLP and the LLP or the Issuer shall send notice of the same pursuant to the RCB Regulations. The Bond Trustee shall revoke an Asset Coverage Test Breach Notice if, on any Calculation Date falling on or prior to the third Calculation Date following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is subsequently satisfied and neither a Notice to Pay nor an LLP Acceleration Notice has been served.

Following service of an Asset Coverage Test Breach Notice (which remains outstanding):

(a) the LLP will be required to sell Selected Loans (as described further under "*Sale of Selected Loans and their Related Security following service of an Asset Coverage Test Breach Notice*") below;

(b) prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice or, if earlier, the occurrence of an LLP Event of Default and service of an LLP Acceleration Notice, the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments will be modified as more particularly described in "*Cashflows – Allocation and distribution of Available Revenue Receipts and Available Principal Receipts following service of an Asset Coverage Test Breach Notice which remains outstanding*" below; and

(c) the Issuer will not be permitted to make to the LLP and the LLP will not be permitted to borrow from the Issuer any new Term Advances under the Intercompany Loan Agreement.

If an Asset Coverage Test Breach Notice has been served and remains outstanding on or before the third Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default shall occur and the Bond Trustee shall be entitled (and, in certain circumstances may be required) to serve an Issuer Acceleration Notice on the Issuer. On the occurrence of an Issuer Event of Default, the Bond Trustee shall give notice of the same pursuant to the RCB Regulations. Following service of an Issuer Acceleration Notice, the Bond Trustee will be required to serve a Notice to Pay on the LLP.

For the purposes hereof:

Aggregate Adjusted Asset Amount means the amount calculated on each Calculation Date as follows:

$$A + B + C + D + E - (X + Y + Z)$$

where:

A = the lower of (i) and (ii), where:

(i) = the sum of the **Adjusted True Balance** of each Loan in the Portfolio, which shall be the lower of (A) the actual True Balance of the relevant Loan in the Portfolio as calculated on the last day of the immediately preceding Calculation Period and (B) the Indexed Valuation relating to that Loan multiplied by M (where for all Loans that are less than three (3) months in arrears or not in arrears, M = 0.75, for all Loans that are three (3) months or more in arrears, M = 0.4),

minus

the aggregate sum of the following deemed reductions to the aggregate Adjusted True Balance of the Loans in the Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate Adjusted True Balance of the Loans in the Portfolio (as calculated on the last day of the immediately preceding Calculation Period) will be deemed to be reduced by an amount equal to the Adjusted True Balance of the relevant Loan or Loans (as calculated on the last day of the immediately preceding Calculation Period) of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate Adjusted True Balance of the Loans in the Portfolio (as calculated on the last day of the immediately preceding Calculation Period) will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the LLP in the immediately

preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the LLP by the Seller or Servicer to indemnify the LLP for such financial loss); and

(ii) = the aggregate **Arrears Adjusted True Balance** of the Loans in the Portfolio which in relation to each Loan shall be the lower of (A) the actual True Balance of the relevant Loan as calculated on the last day of the immediately preceding Calculation Period and (B) the Indexed Valuation relating to that Loan multiplied by N (where for all Loans that are less than three (3) months in arrears or not in arrears, N = 1, for all Loans that are three months (3) or more in arrears, N = 0.40);

minus

the aggregate sum of the following deemed reductions to the aggregate Arrears Adjusted True Balance of the Loans in the Portfolio if any of the following occurred during the previous Calculation Period:

(1) a Loan or its Related Security was, in the immediately preceding Calculation Period, in breach of the Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant Loan and its Related Security, and in each case the Seller has not repurchased the Loan or Loans of the relevant Borrower and its or their Related Security to the extent required by the terms of the Mortgage Sale Agreement. In this event, the aggregate Arrears Adjusted True Balance of the Loans in the Portfolio (as calculated on the last day of the immediately preceding Calculation Period) will be deemed to be reduced by an amount equal to the Arrears Adjusted True Balance of the relevant Loan or Loans (as calculated on the last day of the immediately preceding Calculation Period) of the relevant Borrower; and/or

(2) the Seller, in any preceding Calculation Period, was in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in the immediately preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate Arrears Adjusted True Balance of the Loans in the Portfolio (as calculated on the last day of the immediately preceding Calculation Period) will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the LLP in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the LLP by the Seller or Servicer to indemnify the LLP for such financial loss),

the result of the calculation in this paragraph (ii) being multiplied by the Asset Percentage (as defined below);

B = the aggregate amount of any Principal Receipts on the Loans in the Portfolio up to the end of the immediately preceding Calculation Period (as recorded in the Principal Ledger) which have not been applied as at the relevant Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with the LLP Deed and/or the other Transaction Documents;

C = the aggregate amount of any Cash Capital Contributions made by the Members (as recorded in the Capital Account Ledger of each Member) or proceeds of Term Advances which have not been applied as at the relevant Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with this Deed and/or the other Transaction Documents and shall not, for the avoidance of doubt, include any Cash Capital Contributions made to fund the Coupon Payment Ledger;

D = the aggregate outstanding principal balance of any Substitution Assets;

E = the amount of any Sale Proceeds standing to the credit of the relevant Deposit Account and credited to the Pre-Maturity Liquidity Ledger as at the relevant Calculation Date;

X = 8% multiplied by the Flexible Draw Capacity (as defined below) multiplied by 3;

Y = the Depositor Set-off Percentage of the aggregate True Balance of the Loans in the Portfolio, as calculated on the relevant Calculation Date; and

Z = the weighted average remaining maturity of all Covered Bonds then outstanding multiplied by the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor where the **Negative Carry Factor** is (i) 0.5% if the Covered Bond Weighted Average Margin of the interest rate payable on the Covered Bonds is less than or equal to 0.1% per annum or (ii) 0.5% plus the Covered Bond Weighted Average Margin minus 0.1%, if that Covered Bond Weighted Average Margin is greater than 0.1% per annum (provided that if the weighted average remaining maturity of all Covered Bonds then outstanding is less than one, the weighted average remaining maturity shall be deemed, for the purposes of this calculation, to be one).

Asset Percentage shall be the lowest of:

(a) 90%; or

(b) such lesser percentage figure as determined from time to time in accordance with the terms of the LLP Deed, being the asset percentage that is necessary to ensure the Covered Bonds maintain the then current rating assigned to them by Fitch; or

(c) such lesser percentage figure most recently selected by the LLP (or the Cash Manager acting on its behalf) and notified to Moody's and the Security Trustee in accordance with the terms of the LLP Deed, being the percentage figure that is necessary for the Covered Bonds to achieve an Aaa rating by Moody's using Moody's expected loss methodology (regardless of the actual Moody's rating of the Covered Bonds at the time).

Notwithstanding the above, the Asset Percentage may not, at any time, exceed 90% unless a Rating Agency Confirmation has been obtained.

There is no obligation on the LLP to ensure that an Aaa rating is maintained by Moody's, and the LLP is under no obligation to change the figure selected by it and notified to Moody's and the Security Trustee in line with the level of credit enhancement required to retain an Aaa rating by Moody's, using Moody's expected loss methodology.

Covered Bond Weighted Average Margin means the weighted average of (a) where a Series of Covered Bonds does not have a Covered Bond Swap in place, the margin payable on such Covered Bonds of each Series and (b) where a Series of Covered Bonds does have a Covered Bond Swap in place, the margin payable by the LLP to the relevant Covered Bond Swap Provider in respect of each such Series of Covered Bonds.

Depositor Set-off Percentage means the percentage most recently notified to the Rating Agencies in accordance with the LLP Deed.

Flexible Draw Capacity means the amount equal to the difference between (a) the maximum amount that borrowers may draw under Flexible Loans included in the Portfolio (whether or not drawn) and (b) the aggregate Principal Amount Outstanding in respect of Flexible Loans in the Portfolio on the relevant Calculation Date.

Amortisation Test

The LLP must ensure that on each Calculation Date following service of a Notice to Pay on the LLP (but prior to service of an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security) the Amortisation Test Aggregate Loan Amount will be an amount at least equal to the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.

Following service of Notice to Pay on the LLP, if on any Calculation Date the Amortisation Test Aggregate Loan Amount is less than the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date, then the Amortisation Test will be deemed to be breached and an LLP Event of Default will occur. The LLP or the Cash Manager, as the case may be, will immediately notify the Members, the Security Trustee and (whilst Covered Bonds are outstanding) the Bond Trustee of any breach of the Amortisation Test and the Bond Trustee shall be entitled to serve an LLP Acceleration Notice in accordance with the Conditions.

The **Amortisation Test Aggregate Loan Amount** will be calculated on each Calculation Date as follows:

$$A + B + C - Z$$

where:

A = the aggregate **Amortisation Test True Balance** of each Loan, which shall be the lower of (a) the actual True Balance of the relevant Loan as calculated on the last day of the immediately preceding Calculation Period multiplied by M and (b) 100% of the Indexed Valuation multiplied by M (where for all the Loans that are less than three (3) months in arrears or not in arrears M = 1 or for all the Loans that are three (3) months or more in arrears M = 0.7);

B = the sum of the amount of any cash standing to the credit of the LLP Accounts and the principal amount of any Authorised Investments (excluding any Revenue Receipts received in the immediately preceding Calculation Period);

C = the aggregate outstanding principal balance of any Substitution Assets;

Z = the weighted average remaining maturity of all Covered Bonds then outstanding multiplied by the Sterling Equivalent of the aggregate Principal Amount Outstanding

of the Covered Bonds multiplied by the Negative Carry Factor (provided that if the weighted average remaining maturity of all Covered Bonds then outstanding is less than one, the weighted average remaining maturity shall be deemed, for the purposes of this calculation, to be one).

Sale of Selected Loans and their Related Security if the Pre-Maturity Test is failed

The LLP Deed provides for sales of Selected Loans and their Related Security in circumstances where the Pre-Maturity Test has been failed. The Pre-Maturity Test will be failed if the ratings of the Issuer fall below a specified level and a Hard Bullet Covered Bond is due for repayment within a specified period of time thereafter (see further the section of this Prospectus entitled "*Credit Structure – Pre-Maturity Liquidity*" below). The LLP will be obliged to sell the Selected Loans and their Related Security to Purchasers, subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Loans and their Related Security pursuant to the terms of the Mortgage Sale Agreement, in accordance with the procedure summarised in "*Method of sale of Selected Loans*" below, and subject to any Cash Capital Contribution made by the Members. If the Issuer fails to repay any Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, then, following the service of a Notice to Pay on the LLP, the proceeds from any sale of Selected Loans or the Cash Capital Contributions standing to the credit of the Pre-Maturity Liquidity Ledger will be applied to repay the relevant Series of Hard Bullet Covered Bonds. Otherwise, the proceeds will be applied as set out in the section of this Prospectus entitled "*Credit Structure – Pre-Maturity Liquidity*" below.

Sale of Selected Loans and their Related Security following service of an Asset Coverage Test Breach Notice

After service of an Asset Coverage Test Breach Notice on the LLP (which remains outstanding) but prior to the service of a Notice to Pay and/or an LLP Acceleration Notice on the LLP, and/or the commencement of winding-up proceedings against the LLP and/or the realisation of the Security, the LLP will be, taking into account any Cash Capital Contributions made by the Members, obliged to sell Selected Loans and their Related Security in the Portfolio in accordance with the LLP Deed (as described below), subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Loans and their Related Security pursuant to the Mortgage Sale Agreement. The proceeds from any such sale or refinancing will be credited to the relevant Deposit Account and applied as set out in the Priorities of Payments (see "*Cashflows – Allocation and distribution of Available Revenue Receipts and Available Principal Receipts following service of an Asset Coverage Test Breach Notice which remains outstanding*" below).

Sale of Selected Loans and their Related Security following service of a Notice to Pay

After a Notice to Pay has been served on the LLP but prior to service of an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security, the LLP will be obliged to sell Selected Loans and their Related Security in the Portfolio in accordance with the LLP Deed (as described below), subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Loans and their Related Security pursuant to the Mortgage Sale Agreement. The proceeds from any such sale or refinancing will be credited to the relevant Deposit Account and applied as set out in the Guarantee Priority of Payments.

Method of sale of Selected Loans

If the LLP is required to sell Selected Loans and their Related Security to Purchasers following the failure of the Pre-Maturity Test, the service of an Asset Coverage Test Breach Notice (if it remains outstanding) or service of a Notice to Pay, the LLP will be required to ensure that before offering Selected Loans for sale:

(a) the Selected Loans have been selected from the Portfolio on a random basis as described in the LLP Deed; and

(b) the Selected Loans have an aggregate True Balance in an amount (the **Required True Balance Amount**) which is as close as possible to the amount calculated as follows:

(i) following the service of an Asset Coverage Test Breach Notice (but prior to service of a Notice to Pay), such amount that would ensure that, if the Selected Loans were sold at their True Balance plus the Arrears of Interest and Accrued Interest thereon, the Asset Coverage Test would be satisfied on the next Calculation Date taking into account the payment obligations of the LLP on the LLP Payment Date following that Calculation Date (assuming for this purpose that the Asset Coverage Test Breach Notice remains outstanding on the next Calculation Date); or

(ii) following a failure of the Pre-Maturity Test or service of a Notice to Pay:

$$N \times \frac{True\ Balance\ of\ all\ Loan sin\ the\ Portfolio}{the\ Sterling\ Equivalent\ of\ the\ Required\ Redemption\ Amount\ in\ respect\ of\ each\ Series\ of\ Covered\ Bonds\ then\ outstnding}$$

where **N** is an amount equal to:

(A) in respect of Selected Loans and their Related Security being sold following a failure of the Pre-Maturity Test, the Sterling Equivalent of the Required Redemption Amount of the relevant Series of Hard Bullet Covered Bonds less amounts standing to the credit of the Pre-Maturity Liquidity Ledger that are not otherwise required to provide liquidity for any Series of Hard Bullet Covered Bonds which mature prior to or on the same date as the relevant Series of Hard Bullet Covered Bonds; or

(B) in all other cases, the Sterling Equivalent of the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the LLP Accounts and the principal amount of any Substitution Assets or Authorised Investments (excluding all amounts to be applied on the next following LLP Payment Date to repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds).

The LLP will offer the Selected Loans and their Related Security for sale to Purchasers for the best price reasonably available but in any event:

(a) following the service of an Asset Coverage Test Breach Notice (but prior to service of a Notice to Pay), for an amount not less than the True Balance of the Selected Loans; and

(b) following a failure of the Pre-Maturity Test or the service of a Notice to Pay, for an amount not less than the Adjusted Required Redemption Amount.

Following the service of a Notice to Pay, if the Selected Loans have not been sold (in whole or in part) in an amount not less than the Adjusted Required Redemption Amount by the date which is six (6) months prior to, as applicable, (i) in respect of Earliest Maturing Covered Bonds that are not subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Final

Maturity Date of the Earliest Maturing Covered Bonds; (ii) in respect of a sale in connection with the Pre-Maturity Test, the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds; or, in respect of the Earliest Maturing Covered Bonds that are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, then the LLP will offer the Selected Loans for sale for the best price reasonably available notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

Following service of a Notice to Pay, in addition to offering Selected Loans for sale to Purchasers in respect of the Earliest Maturing Covered Bonds, the LLP (subject to the right of pre-emption enjoyed by the Seller pursuant to the Mortgage Sale Agreement) is permitted to offer for sale a portfolio of Selected Loans, in accordance with the provisions summarised above, in respect of other Series of Covered Bonds.

The LLP is also permitted to offer for sale to Purchasers a Partial Portfolio. Where a Notice to Pay has been served, except in circumstances where the portfolio of Selected Loans is being sold within six (6) months of, as applicable, the Final Maturity Date of the Earliest Maturing Covered Bonds or, if the Earliest Maturing Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, the sale price of the Partial Portfolio (as a proportion of the Adjusted Required Redemption Amount) shall be at least equal to the proportion that the Partial Portfolio bears to the relevant portfolio of Selected Loans.

The LLP will, through a tender process, appoint a portfolio manager of recognised standing on a basis intended to incentivise the portfolio manager to achieve the best price for the sale of the Selected Loans (if such terms are commercially available in the market) and to advise it in relation to the sale of the Selected Loans to Purchasers (except where the Seller is buying the Selected Loans in accordance with its right of pre-emption in the Mortgage Sale Agreement). The terms of the agreement giving effect to the appointment in accordance with such tender shall be approved by the Security Trustee.

In respect of any sale of Selected Loans and their Related Security following service of an Asset Coverage Test Breach Notice (if it remains outstanding) or a Notice to Pay or in respect of a breach of the Pre-Maturity Test, the LLP will instruct the portfolio manager to use all reasonable endeavours to procure that Selected Loans are sold as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager) taking into account the market conditions at that time and, where relevant, the scheduled repayment dates of the Covered Bonds and the terms of the LLP Deed.

The terms of any sale and purchase agreement with respect to the sale of Selected Loans (which shall give effect to the recommendations of the portfolio manager) will be subject to the prior written approval of the Security Trustee. The Security Trustee will not be required to release the Selected Loans from the Security unless the conditions relating to the release of the Security (as described under "*– Deed of Charge – Release of Security*" below) are satisfied.

Following service of a Notice to Pay, if Purchasers accept the offer or offers from the LLP so that some or all of the Selected Loans and their Related Security shall be sold prior to the Final Maturity Date of the Earliest Maturing Covered Bonds or the Hard Bullet Covered Bonds or, if the Earliest Maturing Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, then the LLP will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant Purchasers which will require, *inter alia*, a cash payment from the relevant Purchasers. Any such sale will not include any representations and warranties from the LLP

or the Seller in respect of the Loans and their Related Security unless expressly agreed by the Security Trustee or otherwise agreed upon with the LLP and the Seller.

Covenants of the LLP and the Members

Each of the Members covenants that, subject to the terms of the Transaction Documents, it will not sell, transfer, convey, create or permit to arise any security interest on, declare a trust over, create any beneficial interest in or otherwise dispose of its interest in the LLP without the prior written consent of the LLP and, whilst the Covered Bonds are outstanding, the Security Trustee. Whilst any amounts are outstanding in respect of the Covered Bonds, each of the Members undertakes not to terminate or purport to terminate the LLP Deed or institute any winding-up, administration, insolvency or similar proceedings against the LLP.

The LLP covenants that it will not, save with the prior written consent of the LLP Management Committee (and, for so long as any Covered Bonds are outstanding, the consent of the Security Trustee) or as envisaged by the Transaction Documents:

(a) create or permit to subsist any security interest over the whole or any part of its assets or undertakings, present or future (unless arising by operation of law);

(b) transfer, sell, lend, part with or otherwise dispose of, deal with or grant any option or present or future right to acquire, any of its assets or undertakings or any interest therein or thereto;

(c) have an interest in a bank account other than as set out in the Transaction Documents;

(d) incur any indebtedness or give any guarantee or indemnity in respect of any such indebtedness;

(e) consolidate or merge with or transfer its properties or assets substantially as an entirety to any other person;

(f) have any employees, premises or subsidiaries;

(g) acquire assets other than pursuant to the Transaction Documents;

(h) engage in any activities or derive income from any activities within the United States or hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business within the United States;

(i) enter into any contracts, agreements or other undertakings;

(j) compromise, compound or release any debt due to it;

(k) commence, defend, settle or compromise any litigation or other claims relating to it or any of its assets; or

(l) be a member of any VAT Group.

The LLP and each of the Members further covenants that from and including the date on which the Issuer is admitted to the register of issuers pursuant to Regulation 14 of the RCB Regulations (if applicable) it will:

(i) ensure that the Asset Pool will only comprise those assets set out in items (a) to (h) of Regulation 3(1) (*Asset Pool*) of the RCB Regulations;

(ii) ensure that the Loans and the Related Security, the Substitution Assets and the Authorised Investments contained in the Asset Pool comply with the definition of "eligible property" in Regulation 2 (*Eligible Property*) of the RCB Regulations;

(iii) keep a record of those assets that form part of the Asset Pool which, for the avoidance of doubt, shall not include any Swap Collateral; and

(iv) at all times comply with its obligations under the RCB Regulations and/or the RCB Sourcebook.

Limit on investing in Substitution Assets

Prior to the service of an Asset Coverage Test Breach Notice (if it remains outstanding) or a Notice to Pay on the LLP, the LLP will be permitted to invest Available Revenue Receipts, Available Principal Receipts and the proceeds of Term Advances standing to the credit of the LLP Accounts in Substitution Assets, provided that the aggregate amount so invested in Substitution Assets does not exceed 15% of the total assets of the LLP at any one time and provided that such investments are made in accordance with the terms of the Cash Management Agreement and the RCB Regulations, as applicable. Depositing such amounts in any LLP Account will not constitute an investment in Substitution Assets for these purposes.

Following service of an Asset Coverage Test Breach Notice (if it remains outstanding) or a Notice to Pay on the LLP, all Substitution Assets must be sold by the LLP (or the Cash Manager on its behalf) as quickly as reasonably practicable and the proceeds credited to the relevant Deposit Account and the LLP will be permitted to invest all available monies in Authorised Investments, provided that such investments are made in accordance with the terms of the Cash Management Agreement.

Other provisions

The allocation and distribution of Revenue Receipts, Principal Receipts and all other amounts received by the LLP is described under the section of this Prospectus entitled "*Cashflows*" below.

The LLP Management Committee, comprised as at the date of this Prospectus of directors, officers and/or employees of NatWest and the Liquidation Member, will act on behalf of the LLP to which (other than any decision to approve the audited accounts of the LLP or to make a resolution for the voluntary winding-up of the LLP, which require a unanimous decision of the Members) the Members delegate all matters. Any decision by the LLP Management Committee relating to the admission of a New Member, any change in the LLP's business, any change to the LLP's name and any amendment to the LLP Deed, will be made, whilst any Covered Bonds are outstanding, with the consent of the Security Trustee.

For so long as any Covered Bonds are outstanding, each Member has agreed that it will not terminate or purport to terminate the LLP or institute any winding-up, administration, insolvency or other similar proceedings against the LLP. Furthermore, the Members have agreed *inter alia* not to demand or receive payment of any amounts payable by the LLP (or the Cash Manager on its behalf) or the Security Trustee unless all amounts then due and payable by the LLP to all other creditors ranking higher in the relevant Priorities of Payments have been paid in full.

Each Member will be responsible for the payment of its own tax liabilities and will be required to indemnify the LLP and the other Members from any liabilities which they incur as a result of the relevant Member's non-payment.

Following the appointment of a liquidator to any Member or a bank liquidator to NatWest, any decisions of the LLP that are reserved to the Members in the LLP Deed shall be made by the Liquidation Member only.

The LLP Deed is governed by English law.

Cash Management Agreement

The Cash Manager will provide certain cash management services to the LLP pursuant to the terms of the Cash Management Agreement entered into on the Initial Programme Date and as amended and restated on 19 December 2014, 10 July 2015, 6 June 2018, 22 September 2020, 20 June 2023 and 14 November 2024 (and subsequently amended and restated from time to time) between the LLP, RBS in its capacity as the Cash Manager and the Security Trustee. The Cash Management Agreement was amended and restated on 6 June 2018 in order to reflect the transfer of certain elements of RBS's business to NatWest under the Ring Fencing Transfer Scheme.

The Cash Manager's services include but are not limited to:

(a) operating the LLP Accounts;

(b) maintaining the Ledgers on behalf of the LLP;

(c) maintaining records of all Authorised Investments and/or Substitution Assets, as applicable;

(d) distributing the Revenue Receipts and the Principal Receipts in accordance with the Priorities of Payment described under "*Cashflows*" below;

(e) determining whether the Asset Coverage Test is satisfied on each Calculation Date in accordance with the LLP Deed, as more fully described under "*Credit Structure – Asset Coverage Test*" below;

(f) determining whether the Amortisation Test is satisfied on each Calculation Date following an Issuer Event of Default in accordance with the LLP Deed, as more fully described under "*Credit Structure – Amortisation Test*" above;

(g) on each London Business Day, determining whether the Pre-Maturity Test for each Series of Hard Bullet Covered Bonds is satisfied, as more fully described under "*Credit Structure – Pre-Maturity Liquidity*" below;

(h) providing information on the composition of any Substitution Assets and/or Authorised Investments comprised in the assets of the LLP and/or such other information as may be required in accordance with the RCB Regulations;

(i) preparation of Investor Reports for the Covered Bondholders, the Rating Agencies and the Bond Trustee;

(j) making the necessary notifications and procuring the necessary payments with respect to any Cash Capital Contributions which are to be credited to the Coupon Payment Ledger; and

(k) the establishment and operation of any Swap Collateral Account and the maintenance of any ledgers connected therewith and the liquidation of any non-cash swap collateral on the occurrence of an event of default under the relevant swap agreement.

In relation to each Series of Covered Bonds that (a) does not have monthly Interest Payment Dates and (b) does not have a Covered Bond Swap in place (each such Series, an **Accumulation Series of Covered Bonds**), the Cash Manager shall maintain the Interest Accumulation Ledger, to which the LLP Monthly Interest Amount will (prior to the occurrence of a Cash Manager Relevant Event) be credited on each LLP Payment Date. Amounts standing to the credit of the Interest Accumulation Ledger which have accumulated in respect of a Series of Covered Bonds will be applied (i) prior to the service of a Notice to Pay, on the immediately following Loan Interest Payment Date or where the Loan Interest Payment Date is also a LLP Payment Date, on such LLP Payment Date in making interest payments in accordance with the terms of the Intercompany Loan Agreement and the Cash Management Agreement or (ii) following the service of a Notice to Pay, on the immediately following Interest Payment Date, or where the Interest Payment Date is also an LLP Payment Date on that Interest Payment Date (together with any applicable Available Revenue Receipts) in making payments in respect of interest due on the Covered Bonds.

Back-Up Cash Management Agreement

The Cash Manager and the LLP covenant that, on the Cash Manager ceasing to be assigned a long-term unsecured, unguaranteed and unsubordinated debt obligation rating by Moody's of at least Baa3 or by Fitch of at least BBB- (a **Back-Up Cash Manager Event**), they will use best endeavours (with, in the case of the LLP, the assistance of the Back-Up Cash Manager Facilitator) to identify and appoint a suitable third party to act as back-up or stand-by cash manager (a **Back-Up Cash Manager**) to the Cash Manager and to undertake back-up cash management services to the LLP within sixty (60) days of such Back-Up Cash Manager Event.

The Cash Manager and the LLP covenant that they will use best endeavours to procure that the agreement appointing the Back-Up Cash Manager contains an undertaking from the Back-Up Cash Manager that it will commence performing cash management services to the LLP upon the earlier to occur of (a) the date falling thirty (30) days following the date on which the Cash Manager ceases to be assigned a long-term unsecured, unguaranteed and unsubordinated debt obligation rating by Moody's of at least Ba2 or by Fitch of at least BB (a **Rating Event**) and (b) the termination of the Cash Manager as cash manager pursuant to the termination clause in the Cash Management Agreement (a **Cash Manager Termination**). For the avoidance of doubt, if after using reasonable endeavours to identify and appoint a back-up cash manager, the Cash Manager and the LLP are unable to find a suitable third party willing to act as a back-up cash manager, this shall not be a breach of the provisions stated above.

Any Back-Up Cash Manager appointed on or after a Back-Up Cash Manager Event will be paid a fee with regard to the services it performs as agreed separately between the Issuer and the Back-Up Cash Manager (the **Back-Up Cash Manager Fee**). The amount of the Back-Up Cash Manager Fee will be added to the fees and costs that are payable to the Cash Manager in accordance with the relevant Priorities of Payment and this Agreement, and the Cash Manager shall promptly, following receipt of such amount, pay the Back-Up Cash Manager Fee to the Back-Up Cash Manager or direct the LLP to pay such amounts directly to the Back-Up Cash Manager.

Back-up Cash Manager Facilitator

The LLP has appointed the Back-Up Cash Manager Facilitator as its agent, following the earlier to occur of a Back-Up Cash Manager Event and a Cash Manager Termination, in conjunction with the Cash Manager or, as applicable, the LLP, use best endeavours to identify, on behalf of the LLP, a suitable entity to provide, in the case of a Cash Manager Termination, cash management services to the LLP or, in the case of a Back-Up Cash Manager Event, back-up or stand-by cash management services to the Cash Manager in accordance with the terms of the Cash Management Agreement.

In certain circumstances the LLP and the Security Trustee will each have the right to terminate the appointment of the Cash Manager in which event the LLP will appoint a substitute (the identity of which will be subject to the Security Trustee's written approval). Any replacement cash manager should enter into an agreement on substantially the same terms as the Cash Management Agreement, provided that the LLP or the Cash Manager (acting on its behalf) determines that there is not a substitute cash manager which is willing to enter into a replacement cash management agreement with terms substantially similar to those set out in the Cash Management Agreement for a commercially reasonable fee taking into account prevailing market conditions, a replacement agreement may be entered into on reasonable commercial terms taking into account the then prevailing market conditions if the LLP or the Cash Manager certifies in writing to the Bond Trustee and the Security Trustee that the terms upon which it is proposed the back-up, stand-by or replacement cash manager will be appointed are reasonable commercial terms taking into account the then prevailing current market conditions.

The Cash Management Agreement is governed by English law.

Interest Rate Swap Agreement

Some of the Loans in the Portfolio pay a variable rate of interest for a period of time that may be linked either to the Seller Standard Variable Rate or linked to an interest rate other than the Seller Standard Variable Rate, such as a rate that tracks the BoE Base Rate. Other Loans pay a fixed rate of interest for a period of time. However, the Sterling payments to be made by the LLP under the Covered Bond Swaps or, where a Covered Bond Swap is not in place, the relevant Term Advance (prior to the service of a Notice to Pay on the LLP) and under the Covered Bond Guarantee (after the service of a Notice to Pay on the LLP) are based on a compounded daily SONIA rate. To provide a hedge against the possible variance between:

(a) the rates of interest payable on the Loans in the Portfolio; and

(b) a compounded daily SONIA rate,

the LLP, the Interest Rate Swap Provider and the Security Trustee have entered into the Interest Rate Swap Agreement on the Initial Programme Date.

The notional amount of the Interest Rate Swaps entered into under the Interest Rate Swap Agreement will be the aggregate principal amount outstanding in the Portfolio in respect of the Calculation Period ending immediately prior to the relevant Interest Rate Swap payment date of the performing Loans in the Portfolio to which such Interest Rate Swap relates.

In the event that the relevant rating(s) of the Interest Rate Swap Provider, or any guarantor, as applicable, is or are, as applicable, downgraded by a Rating Agency below the ratings specified in the Interest Rate Swap Agreement (in accordance with the requirements of the Rating Agencies) for the Interest Rate Swap Provider, and, where applicable, as a result of the downgrade, the then current ratings of the Covered Bonds would or may, as applicable, be adversely affected, the Interest Rate Swap Provider will be required to take certain remedial measures which may include providing collateral for its obligations, arranging for its obligations to be transferred to an entity with such ratings as are required to ensure that the then current rating of the Covered Bonds would not be downgraded, procuring another entity with rating(s) required by the relevant Rating Agency to become co-obligor or guarantor in respect of its obligations, or taking such other action as it may agree with the relevant Rating Agency. A failure to take such steps will allow the LLP to terminate the Interest Rate Swaps.

Where the Interest Rate Swap Provider is required to post collateral in respect of its obligations under the Interest Rate Swap Agreement, any collateral can be posted in either cash or securities as specified in the Interest Rate Swap Agreement, provided that any collateral posted in cash should be posted to an account in the name of the LLP, held with a credit institution that has the requisite ratings.

The Interest Rate Swaps may also be terminated in certain other circumstances (each referred to as an **Interest Rate Swap Early Termination Event**), including, but not limited to:

- at the option of either party to the Interest Rate Swap Agreement and subject to any applicable grace periods, if there is a failure by the other party to pay any amounts due under the Interest Rate Swaps (for the avoidance of doubt, no such failure to pay by the LLP will entitle the Interest Rate Swap Provider to terminate the Interest Rate Swaps, if such failure is due to the assets available at such time to the LLP being insufficient to make the required payment in full);

- upon the occurrence of the insolvency of the Interest Rate Swap Provider, or any guarantor and certain insolvency-related events in respect of the LLP;

- upon the merger of the Interest Rate Swap Provider without an assumption of all of its obligations under the Interest Rate Swap Agreement;

- in certain circumstances, if a deduction or withholding for or an account of taxes is imposed on payments under an Interest Rate Swap; or

- upon the service by the Bond Trustee of an LLP Acceleration Notice on the LLP and the Issuer.

Upon the termination of an Interest Rate Swap pursuant to an Interest Rate Swap Early Termination Event, the LLP or the Interest Rate Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Interest Rate Swap Agreement.

If withholding taxes are imposed on payments made by the Interest Rate Swap Provider under the Interest Rate Swap Agreement, the Interest Rate Swap Provider shall always be obliged to gross up these payments. If withholding taxes are imposed on payments made by the LLP to the Interest Rate Swap Provider under the Interest Rate Swap Agreement, the LLP shall not be obliged to gross up those payments.

If the LLP is required to sell Selected Loans in the Portfolio in order to provide liquidity in respect of the Earliest Maturing Covered Bonds following an Issuer Event of Default and service of a Notice to Pay on the LLP, then, to the extent practicable and desirable, either:

(a) the Interest Rate Swap in respect of such Loans will partially terminate and any breakage costs payable by or to the LLP in connection with such termination will be taken into account in calculating the Adjusted Required Redemption Amount for the sale of the Selected Loans; or

(b) such Interest Rate Swap will be partially novated to the purchaser of such Loans, and such purchaser will thereby become party to a separate interest rate swap transaction with the relevant Interest Rate Swap Provider.

Under the Interest Rate Swap Agreement, the LLP's obligations are limited in recourse to the Charged Property.

The Interest Rate Swap Agreement is governed by English law.

Covered Bond Swap Agreements

In respect of each Series of Covered Bonds the LLP may enter into one or more Covered Bond Swaps with one or more Covered Bond Swap Providers and the Security Trustee. Each Covered Bond Swap will provide a hedge against certain interest rate and/or currency risks in respect of amounts received by the LLP under the Loans and the Interest Rate Swaps and amounts payable by the LLP under the Intercompany Loan Agreement (prior to the service of a Notice to Pay on the LLP or an LLP Acceleration Notice) and under the Covered Bond Guarantee in respect of Covered Bonds (after the service of a Notice to Pay on the LLP or an LLP Acceleration Notice).

Where required to hedge such risks, there will be one (1) (or more) Covered Bond Swap(s) in relation to each Series or Tranche, as applicable, of Covered Bonds, governed by a Covered Bond Swap Agreement. Where a Series or a Tranche of Covered Bonds is denominated in a currency other than Sterling, the LLP will pay to the Covered Bond Swap Provider the amount received by the LLP under the applicable Term Advance (being an amount equal to the gross proceeds of the issue of such Series or Tranche, as applicable, of Covered Bonds) on the relevant Issue Date and in return the Covered Bond Swap Provider will pay to the LLP an amount equal to the Sterling Equivalent of the applicable Term Advance. Thereafter, the Covered Bond Swap Provider will pay to the LLP on each Interest Payment Date amounts in the relevant Specified Currency and/or calculated with reference to the relevant interest basis equivalent to the amounts that would be payable by the LLP under either the applicable Term Advance in accordance with the terms of the Intercompany Loan or the Covered Bond Guarantee in respect of interest and (where applicable) principal payable under the relevant Series or Tranche of Covered Bonds. In return, the LLP will pay to the Covered Bond Swap Provider on each LLP Payment Date an amount in Sterling calculated by reference to a compounded daily SONIA rate plus a spread and (where applicable) the Sterling Equivalent of any principal due in respect of the relevant Term Advance in accordance with the Intercompany Loan Agreement or the Covered Bond Guarantee, as applicable. Where both payments under a Covered Bonds Swap Agreement are to be made in Sterling, a net amount or no amount will be paid either to or by the LLP under the relevant Covered Bond Swap Agreement.

If, prior to the Final Maturity Date in respect of the relevant Series or Tranche of Covered Bonds or (if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the payment of the amount corresponding to the Final Redemption Amount or any part of it by the LLP under the Covered Bond Guarantee is deferred until the relevant Extended Due for Payment Date pursuant to Condition 6(a) (*Final redemption*) of the Terms and Conditions of the Covered Bonds) any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date, the LLP notifies (pursuant to the terms of the Covered Bond Swap) the relevant Covered Bond Swap Provider of the amount in the Specified Currency to be paid by the Covered Bond Swap Provider on such Final Maturity Date or Interest Payment Date (such amount being equal to the Final Redemption Amount or the relevant portion thereof payable by the LLP on such Final Maturity Date or Interest Payment Date under the Covered Bond Guarantee in respect of the relevant Series or Tranche of Covered Bonds), the Covered Bond Swap Provider will pay the LLP such amount and the LLP will pay the Covered Bond Swap Provider the Sterling Equivalent of such amount. Further, if on any day an Early Redemption Amount is payable pursuant to Condition 6(f) (*Early Redemption Amounts*) (if required) the Covered Bond Swap Provider will pay the LLP such amount (or the relevant portion thereof) and the LLP will pay the Covered Bond Swap Provider the Sterling Equivalent thereof, following which the notional amount of the relevant Covered Bond Swaps will reduce accordingly.

Each Covered Bond Swap will terminate on the Final Maturity Date of the related Series or Tranche of Covered Bonds or, if the LLP notifies the Covered Bond Swap Provider prior to such Final

Maturity Date of the inability of the LLP to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount, the final Interest Payment Date on which an amount representing the Final Redemption Amount of the related Series or Tranche of Covered Bonds is paid (but in any event not later than the Extended Due for Payment Date).

Under the terms of each Covered Bond Swap Agreement, in the event that the relevant rating of the Covered Bond Swap Provider is downgraded by a Rating Agency below the rating(s) specified in the relevant Covered Bond Swap Agreement (in accordance with the requirements of that Rating Agency) for the Covered Bond Swap Provider, and, where applicable, as a result of the downgrade, the then current ratings of the Covered Bonds would or may, as applicable, be adversely affected, the Covered Bond Swap Provider will, in accordance with the relevant Covered Bond Swap Agreement, be required to take certain remedial measures which may include providing collateral for its obligations under the Covered Bond Swap Agreement, arranging for its obligations under the Covered Bond Swap Agreement to be transferred to an entity with the ratings required by the relevant Rating Agency, procuring another entity with the ratings required by the relevant Rating Agency to become co-obligor in respect of its obligations under the Covered Bond Swap Agreement, or taking such other action as it may agree with the relevant Rating Agency. A failure to take such steps will allow the LLP to terminate the Covered Bond Swaps entered into under that Covered Bond Swap Agreement.

Where the relevant Covered Bond Swap Provider is required to post collateral in respect of its obligations under the relevant Covered Bond Swap Agreement, any collateral can be posted in either cash or securities, provided that any collateral posted in cash should be posted to an account in the name of the LLP, held with a credit institution that has the requisite ratings.

A Covered Bond Swap may also be terminated in certain other circumstances (each referred to as a **Covered Bond Swap Early Termination Event**), including:

- at the option of either party to the Covered Bond Swap Agreement, if there is a failure by the other party to pay any amounts due under such Covered Bond Swap Agreement (for the avoidance of doubt, no such failure to pay by the LLP will entitle the relevant Covered Bond Swap Provider to terminate the Covered Bond Swap Agreement, if such failure is due to the assets available at such time to the LLP being insufficient to make the required payment in full);

- upon the occurrence of the insolvency of the relevant Covered Bond Swap Provider or any guarantor, and certain insolvency-related events in respect of the LLP;

- upon the merger of the Covered Bond Swap Provider without an assumption of all of its obligations under the relevant Covered Bond Swap Agreement;

- in certain circumstances, if a deduction or withholding for or an account of taxes is imposed on payments under a Covered Bond Swap;

- upon the service by the Bond Trustee of an LLP Acceleration Notice on the LLP and the Issuer; or

- the redemption and/or cancellation of the related Series or Tranche of Covered Bonds.

Upon the termination of a Covered Bond Swap Agreement, the LLP or the relevant Covered Bond Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the relevant Covered Bond Swap Agreement. The amount of this termination payment will be calculated and made in Sterling or, in respect of some Covered Bond Swap Agreements, in

the same currency as the Series or Tranche of Covered Bonds to which such Covered Bond Swap Agreement relates.

Any termination payment made by the Covered Bond Swap Provider to the LLP in respect of a Covered Bond Swap Agreement will first be used (prior to the occurrence of an LLP Event of Default and service of an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security) to pay a replacement Covered Bond Swap Provider (or replacement Covered Bond Swap Providers) to enter into a replacement Covered Bond Swap with the LLP, unless a replacement Covered Bond Swap Agreement (or replacement Covered Bond Swap Agreements) has or have already been entered into on behalf of the LLP. Any premium received by the LLP from a replacement Covered Bond Swap Provider in respect of a replacement Covered Bond Swap will first be used to make any termination payment due and payable by the LLP with respect to the previous Covered Bond Swap Agreement, unless such termination payment has already been made on behalf of the LLP.

Any Swap Collateral Excluded Amounts (other than surplus amounts after satisfaction of any termination payments to the relevant Swap Provider) will be paid to the Covered Bond Swap Provider directly and not via the Priorities of Payments.

If withholding taxes are imposed on payments made by any Covered Bond Swap Provider to the LLP under a Covered Bond Swap Agreement, such Covered Bond Swap Provider shall always be obliged to gross up those payments. If withholding taxes are imposed on payments made by the LLP to the Covered Bond Swap Provider under a Covered Bond Swap Agreement, the LLP shall not be obliged to gross up those payments.

In the event that the Covered Bonds are redeemed and/or cancelled in accordance with the Conditions (other than in accordance with Condition 6(a) (*Final redemption*)), the Covered Bond Swap(s) in connection with such Covered Bonds will terminate or partially terminate, as the case may be. Any breakage costs payable by or to the LLP in connection with such termination will be taken into account in calculating:

(a) the Adjusted Required Redemption Amount for the Sale of Selected Loans; and

(b) the purchase price to be paid for the relevant Covered Bonds purchased by the LLP in accordance with Condition 6(f) (*Early Redemption Amounts*).

Under each Covered Bond Swap Agreement, the LLP's obligations are limited in recourse to the Charged Property. To the extent that the LLP is unable to make any payment in full under any Covered Bond Swap due to its assets being insufficient to make such payment in full, the relevant Covered Bond Swap Provider's payment obligations will rateably reduce.

The Covered Bond Swap Agreements and any non-contractual obligation arising out of or in connection with them are (or, as applicable, will be) governed by English law.

Bank Account Agreement

The Bank Account Agreement was entered into on the Initial Programme Date and has subsequently been amended and restated from time to time and is made between the LLP, the Account Bank, the Cash Manager and the Security Trustee. The Bank Account Agreement was amended and restated on 6 June 2018 in order to reflect the transfer of certain elements of RBS's business to NatWest under the Ring Fencing Transfer Scheme and further amended and restated on 22 June 2020 to effect the replacement of Société Générale, London Branch as Account Bank by National Westminster Bank Plc.

Pursuant to the terms of the Bank Account Agreement, the LLP will maintain with the Account Bank the accounts described below, which will be operated in accordance with the Bank Account Agreement, Cash Management Agreement, the LLP Deed and the Deed of Charge:

(a) the relevant Deposit Account into which amounts may be deposited by the LLP (including, following the occurrence of an Issuer Event of Default which is not cured within the applicable grace period, all amounts received from Borrowers in respect of Loans in the Portfolio). On each LLP Payment Date as applicable, amounts required to meet the LLP's various creditors and amounts to be distributed to the Members under the LLP Deed will be transferred to the Transaction Account; and

(b) the Transaction Account. Monies standing to the credit of the relevant Deposit Account will be transferred to the Transaction Account on each LLP Payment Date and applied by the Cash Manager in accordance with the Priorities of Payments described below under the section of this Prospectus entitled "*Cashflows*".

The Account Bank will open and maintain in its books, in the name of the LLP in respect of each Deposit Account, a term deposit sub-account (each a relevant **Term Deposit Sub-account**) and a general deposit sub-account (each a relevant **General Deposit Sub-account**). The Account Bank will accept each deposit of funds made by or on behalf of the LLP to the relevant Deposit Account on the basis that such funds shall be credited to the relevant General Deposit Sub-account on the date of receipt and shall be transferred to the relevant Term Deposit Sub-account and made available on the immediately succeeding Business Day, provided always that any funds credited to the General Deposit Sub-account on the Business Day immediately preceding an LLP Payment Date shall not be transferred to the Term Deposit Sub-account and made available until the Business Day immediately following the relevant LLP Payment Date.

If the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank cease to be rated at least F1 by Fitch and the long-term, unsecured, unsubordinated and unguaranteed debt obligations cease rating at least A3 by Moody's and A by Fitch or such other lower rating as is required to maintain the then current rating of the Covered Bonds (the **Account Bank Ratings**) then either:

- the relevant Deposit Account and the Transaction Account will be closed and all amounts standing to the credit thereof shall be transferred to accounts held with a bank whose short-term and long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the Account Bank Ratings; or

- the Account Bank will obtain an unconditional and unlimited guarantee of its obligations under the Bank Account Agreement from a financial institution whose short-term and long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the Account Bank Ratings.

In the event the relevant Deposit Account and the Transaction Account are closed and a replacement account or accounts are opened with a replacement account bank, the Account Bank will use reasonable endeavours to ensure that the replacement relevant Deposit Account is an interest bearing account and do so in consultation with the Cash Manager.

From time to time, the LLP shall be required to open other accounts or replacement accounts designated as Deposit Accounts or Transaction Accounts with the Account Bank or a replacement account bank subject to and in accordance with the terms of the Bank Account Agreement and the other Transaction Documents and may, if it considers it to be necessary or desirable, open additional

accounts with one or more additional account banks, and/or additional swap collateral account banks in accordance with the terms of the Transaction Documents.

The Bank Account Agreement is governed by English law.

Swap Collateral Account Bank Agreement

Pursuant to the terms of the Swap Collateral Account Bank Agreement, the LLP will maintain one or more cash accounts in the name of the LLP with the Swap Collateral Account Bank in its role as swap collateral account bank (the **Swap Collateral Cash Accounts**). The LLP may open further or additional Swap Collateral Cash Accounts from time to time.

The LLP or the Cash Manager may terminate the Swap Collateral Account Bank Agreement if the short-term or long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Collateral Account Bank fall below the Account Bank Ratings.

The Swap Collateral Account Bank Agreement is governed by English law.

Custody Agreement

Pursuant to the terms of the Custody Agreement, the LLP will open one or more securities accounts and one or more securities cash accounts with the Swap Collateral Account Bank in its role as custodian (the **Swap Collateral Custody Accounts**).

The LLP or the Cash Manager may terminate the Custody Agreement if the short-term or long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Collateral Account Bank fall below the Account Bank Ratings.

The Custody Agreement is governed by English law.

Corporate Services Agreement

The LLP, the Liquidation Member and Holdings have entered into a Corporate Services Agreement with, *inter alios*, CSC Management Services (UK) Limited (formerly known as Intertrust Management Limited) (as Corporate Services Provider) on the Initial Programme Date, and was subsequently amended and restated from time to time.

Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider has agreed to provide corporate services to the Liquidation Member and Holdings respectively.

The Corporate Services Agreement is governed by English law.

Deed of Charge

Pursuant to the terms of the Deed of Charge entered into on the Initial Programme Date, as amended (and as supplemented from time to time), by the LLP, the Security Trustee and the other Secured Creditors, the Secured Obligations of the LLP and all other obligations of the LLP under or pursuant to the Transaction Documents to which it is a party are secured, *inter alia*, by the following security (the **Security**) over the following property, assets and rights (the **Charged Property**):

(a) a first fixed charge (which may take effect as a floating charge) over the LLP's interest in the English Loans and their Related Security and other related rights comprised in the Portfolio;

(b) a first ranking assignation in security of the LLP's interest in the Scottish Loans and their Related Security and other related rights comprised in the Portfolio (comprising the LLP's

beneficial interest under the trusts declared by the Seller pursuant to the Scottish Declarations of Trust);

(c) an assignment by way of first fixed charge over the rights of the LLP in and to the Insurance Policies;

(d) an assignment by way of first fixed security over all of the LLP's interests, rights and entitlements under and in respect of any Transaction Document to which it is a party (and, in respect of the Interest Rate Swap Agreement(s) and Covered Bond Swap Agreement(s), after giving effect to all applicable netting provisions therein);

(e) a first fixed charge (which may take effect as a floating charge) over the rights and benefits of the LLP in the LLP Accounts (including any Excess Proceeds) and any other account of the LLP and all amounts standing to the credit of the LLP Accounts and such other accounts;

(f) a first fixed charge (which may take effect as a floating charge) over the rights and benefits of the LLP in respect of all Authorised Investments and Substitution Assets purchased from time to time from amounts standing to the credit of the LLP Accounts; and

(g) a first floating charge over all the assets and undertakings of the LLP (including the assets and undertakings of the LLP located in Scotland or governed by Scots law).

In respect of the property, rights and assets referred to in paragraph (b) above, fixed security will be created over such property, rights and assets sold to the LLP on or after the Initial Programme Date by means of Scottish Supplemental Charges pursuant to the Deed of Charge.

Release of Security

In the event of any sale of Loans (including Selected Loans) and their Related Security by the LLP pursuant to and in accordance with the Transaction Documents (other than any repurchase by the Seller), the Security Trustee will release those Loans from the Security created by and pursuant to the Deed of Charge on the date of such sale but only if:

(a) in the case of the sale of Selected Loans, the Security Trustee provides its prior written consent to the terms of such sale as described under "*LLP Deed – Method of sale of Selected Loans*" above; and

(b) the sale is in accordance with the Transaction Documents and, in the case of the sale of Selected Loans, the LLP provides to the Security Trustee a certificate confirming that the Selected Loans being sold have been selected on a random basis.

In the event of the repurchase of a Loan and its Related Security by the Seller pursuant to and in accordance with the Transaction Documents, that Loan will be automatically released from the Security created by and pursuant to the Deed of Charge on the date of the repurchase or payment by the Seller of the relevant purchase price.

Enforcement

If an LLP Acceleration Notice is served on the LLP, the Bond Trustee will be entitled to direct the Security Trustee to appoint a Receiver, and/or enforce the Security constituted by the Deed of Charge (including selling all or part of the Portfolio), and/or take such steps as it shall deem necessary, subject in each case to the Bond Trustee and the Security Trustee each being indemnified and/or secured to its satisfaction. All proceeds received by the Security Trustee from the enforcement or

realisation of the Security will be applied in accordance with the Post-Enforcement Priority of Payments described under "*Cashflows*" below.

The Deed of Charge is governed by English law (other than each Scottish Supplemental Charge granted pursuant and supplemental to the Deed of Charge and certain other provisions relating to the property, rights and assets referred to in paragraph (b) above which is governed by Scots law).

CREDIT STRUCTURE

The Covered Bonds will be direct, unsecured, unconditional and unsubordinated obligations of the Issuer. The LLP has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and on the LLP of a Notice to Pay or, if earlier, following the occurrence of an LLP Event of Default and service by the Bond Trustee of an LLP Acceleration Notice. The Issuer will not be relying on payments by the LLP in respect of the Term Advances or receipt of Revenue Receipts or Principal Receipts from the Portfolio in order to pay interest or repay principal under the Covered Bonds.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to the Covered Bondholders, as follows:

- the Covered Bond Guarantee provides credit support to the Issuer;
- the Asset Coverage Test is intended to test the asset coverage of the LLP's assets in respect of the Covered Bonds at all times;
- the Pre-Maturity Test is intended to provide liquidity to the LLP in respect of principal due on the Final Maturity Date of Hard Bullet Covered Bonds;
- the Amortisation Test is intended to test the asset coverage of the LLP's assets in respect of the Covered Bonds following the occurrence of an Issuer Event of Default, service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay on the LLP;
- a Reserve Fund (unless NatWest's short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least F1+ by Fitch and P-1 by Moody's) will be established in the relevant Deposit Account to trap Available Revenue Receipts;
- under the terms of the Cash Management Agreement, the Cash Manager agreed to invest funds standing to the credit of the relevant Deposit Account (except to the extent required for payment of any amount pursuant to the Priorities of Payment) in Authorised Investments with a view to earning a rate of return on such funds at least equal to a compounded daily SONIA rate; and
- the pre-funding of the Required Coupon Amount in advance of each LLP Payment Date following a Cash Manager Relevant Event and the delivery of irrevocable payment instructions well in advance of such amounts becoming due for payment will enhance the likelihood of timely payments to the Covered Bondholders.

Certain of these factors are considered more fully in the remainder of this section.

In addition, the Issuer is required to comply with the terms of the RCB Regulations, as to which see further "*Description of the UK Regulated Covered Bond Regime*" below.

Covered Bond Guarantee

The Covered Bond Guarantee provided by the LLP under the Trust Deed guarantees payment of Guaranteed Amounts when the same become Due for Payment in respect of all Covered Bonds issued under the Programme. The Covered Bond Guarantee will not guarantee any amount becoming payable for any other reason, including any accelerated payment pursuant to Condition 9(a) (*Issuer Events of Default*) following the occurrence of an Issuer Event of Default. In this circumstance (and

until an LLP Event of Default occurs and an LLP Acceleration Notice is served), the LLP's obligations will only be to pay the Guaranteed Amounts as they fall Due for Payment.

See further the section of this Prospectus entitled "*Summary of the Principal Documents – Trust Deed*" as regards the terms of the Covered Bond Guarantee. See further "*Cashflows – Guarantee Priority of Payments*" as regards the payment of amounts payable by the LLP to the Covered Bondholders and other Secured Creditors following the occurrence of an Issuer Event of Default.

Pre-Maturity Liquidity

Certain Series of Covered Bonds are scheduled to be redeemed in full on the Final Maturity Date therefor without any provision for scheduled redemption other than on the Final Maturity Date (the **Hard Bullet Covered Bonds**). The applicable Final Terms will identify whether any Series of Covered Bonds is a Series of Hard Bullet Covered Bonds. The **Pre-Maturity Test** is intended to provide liquidity for the Hard Bullet Covered Bonds when the Issuer's credit ratings fall below a certain level. On each London Business Day (each a **Pre-Maturity Test Date**) prior to the occurrence of an Issuer Event of Default or the occurrence of an LLP Event of Default, the LLP or the Cash Manager on its behalf will determine if the Pre-Maturity Test has failed, and if so, it shall immediately notify the Members and the Security Trustee thereof.

The Issuer will fail and be in breach of the Pre-Maturity Test on a Pre-Maturity Test Date if:

(a) the Issuer's (i) long-term credit rating from Moody's is A2 (or lower) (or such higher rating as is notified by the Issuer to Moody's and the Security Trustee from time to time) and the Final Maturity Date of the Series of Hard Bullet Covered Bonds occurs within twelve (12) months (or such longer period as is notified by the Issuer to Moody's and the Security Trustee from time to time) of the relevant Pre-Maturity Test Date or (ii) short-term credit rating from Moody's is P-1 (or lower) and the Final Maturity Date of the Series of Hard Bullet Covered Bonds occurs within twelve (12) months (or such longer period as is notified by the Issuer to Moody's and the Security Trustee from time to time) of the relevant Pre-Maturity Test Date; or

(b) the Issuer's short-term credit rating from Fitch is F1 (or lower) (or such higher rating as is notified by the Issuer to Fitch and the Security Trustee from time to time) and the Final Maturity Date of the Series of Hard Bullet Covered Bonds occurs within twelve (12) months (or such longer period as is notified by the Issuer to Fitch and the Security Trustee from time to time) of the relevant Pre-Maturity Test Date.

Following a failure of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds, the LLP shall offer to sell Selected Loans and their Related Security to Purchasers (subject to any right of pre-emption enjoyed by the Seller pursuant to the Mortgage Sale Agreement and to any Cash Capital Contributions made by NatWest (in its capacity as a member of the LLP)) with the intention that there will be an amount standing to the credit of the Pre-Maturity Liquidity Ledger at least equal to the Required Redemption Amount of that Series of Hard Bullet Covered Bonds (taking into account the Required Redemption Amount of all other Series of Hard Bullet Covered Bonds which mature prior to or on the same date as the relevant Series of Hard Bullet Covered Bonds).

In certain circumstances, Revenue Receipts will also be available to repay a Hard Bullet Covered Bond, as described in "*Cashflows – Pre-Acceleration Revenue Priority of Payments*" below.

Failure by the Issuer to pay the full amount due in respect of a Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof will constitute an Issuer Event of Default. Following service of a Notice to Pay on the LLP, the LLP shall apply funds standing to the Pre-Maturity Liquidity Ledger to repay the relevant Series of Hard Bullet Covered Bonds.

If the Issuer and/or the Guarantor fully repay the relevant Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof, cash standing to the credit of the Pre-Maturity Liquidity Ledger on the relevant Deposit Account shall be applied by the LLP in accordance with the Pre-Acceleration Principal Priority of Payments, unless:

(a) the Issuer is failing the Pre-Maturity Test in respect of any other Series of Hard Bullet Covered Bonds, in which case amounts shall remain credited on the Pre-Maturity Liquidity Ledger to the extent required to provide liquidity for that other Series of Hard Bullet Covered Bonds; or

(b) the Issuer is not failing the Pre-Maturity Test, but the Management Committee elects to retain the amounts on the Pre-Maturity Liquidity Ledger in order to provide liquidity for any future Series of Hard Bullet Covered Bonds.

Amounts standing to the credit of the Pre-Maturity Liquidity Ledger following the repayment of the Hard Bullet Covered Bonds as described above may, except where the Management Committee has elected or is required to retain such amounts on the Pre-Maturity Liquidity Ledger, also be used to repay the corresponding Term Advance and distribute any excess Available Principal Receipts back to the Members on dates other than LLP Payment Dates, subject to the LLP making provision for higher ranking items in the Pre-Acceleration Principal Priority of Payments.

Asset Coverage Test

The Asset Coverage Test is intended to ensure that the LLP can meet its obligations under the Covered Bond Guarantee and senior ranking expenses which will include costs relating to the maintenance, administration and winding-up of the Asset Pool whilst the Covered Bonds are outstanding. Under the LLP Deed, the LLP and NatWest (in its capacity as a Member of the LLP) must ensure that on each Calculation Date the Aggregate Adjusted Asset Amount will be in an amount equal to or in excess of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. If on any Calculation Date the Asset Coverage Test is not satisfied and such failure is not remedied on or before the next following Calculation Date, the Asset Coverage Test will be breached and the Bond Trustee will serve an Asset Coverage Test Breach Notice on the LLP. The Asset Coverage Test is a formula which adjusts the True Balance of each Loan in the Portfolio and has further adjustments to take account of set-off on a Borrower's accounts held with NatWest and failure by a Seller, in accordance with the Mortgage Sale Agreement, to repurchase Loans that do not materially comply with the Representations and Warranties on the relevant Transfer Date.

See further the section of this Prospectus entitled "*Summary of the Principal Documents – LLP Deed – Asset Coverage Test*" above.

An Asset Coverage Test Breach Notice will be revoked if, on any Calculation Date falling on or prior to the third Calculation Date following the service of the Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and neither a Notice to Pay nor an LLP Acceleration Notice has been served.

If an Asset Coverage Test Breach Notice has been served and remains outstanding on or before the third Calculation Date after service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default shall occur and the Bond Trustee shall be entitled (and, in certain circumstances, may be required) to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee must serve a Notice to Pay on the LLP.

The Issuer is additionally required to ensure that the principal amount of the eligible property in the Asset Pool is greater than 108% of the Principal Amount Outstanding of the Covered Bonds in accordance with the terms of the RCB Regulations. See further "*Description of the UK Regulated Covered Bond Regime*" below.

Amortisation Test

The Amortisation Test is intended to ensure that if, following an Issuer Event of Default, service of an Issuer Acceleration Notice on the Issuer and the service of a Notice to Pay on the LLP (but prior to service on the LLP of an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security), the assets of the LLP available to meet its obligations under the Covered Bond Guarantee fall to a level where the Covered Bondholders may not be repaid, an LLP Event of Default will occur and all amounts owing under the Covered Bonds may be accelerated. Under the LLP Deed, the LLP must ensure that, on each Calculation Date following an Issuer Event of Default and the service of a Notice to Pay on the LLP, the Amortisation Test Aggregate Loan Amount will be in an amount at least equal to the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date. The Amortisation Test is a formula which adjusts the True Balance of each Loan in the Portfolio and has further adjustments to take account of Loans in arrears. See further "*Summary of the Principal Documents – LLP Deed – Amortisation Test*" above.

Reserve Fund

The LLP will be required (unless NatWest's short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least F1+ by Fitch and P-1 by Moody's) to establish the Reserve Fund on the relevant Deposit Account which will be credited with Available Revenue Receipts up to an amount equal to the Reserve Fund Required Amount. The LLP will not be required to maintain the Reserve Fund following the occurrence of an Issuer Event of Default.

The Reserve Fund will be funded from Available Revenue Receipts after the LLP has paid all of its obligations in respect of items ranking higher than the Reserve Ledger in the Pre-Acceleration Revenue Priority of Payments on each LLP Payment Date.

A Reserve Ledger will be maintained by the Cash Manager to record the balance from time to time of the Reserve Fund. Following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the LLP, amounts standing to the credit of the Reserve Fund will be added to certain other income of the LLP in calculating Available Revenue Receipts.

Coupon Payments

If NatWest is acting as Cash Manager pursuant to the Cash Management Agreement and a Cash Manager Relevant Event occurs and is continuing, NatWest (in its capacity as a Member of the LLP) will:

(a) within ten London Business Days of the occurrence of that Cash Manager Relevant Event make a Cash Capital Contribution to the LLP in an aggregate amount equal to:

  (i) (in the case of each Term Advance where a Covered Bond Swap is not in place other than an Accumulation Series of Covered Bonds) the Required Coupon Amount payable on the immediately succeeding Loan Interest Payment Date for each such Term Advance; and/or

(ii) (in the case of a Term Advance where a Covered Bond Swap is in place) the Required Coupon Amount payable on the next date on which the LLP is due to make a payment under the relevant Covered Bond Swap (other than those amounts due in respect of an Interim Exchange Date or Final Exchange Date (each as defined in the relevant Covered Bond Swap Agreement)) relating to each Term Advance; and/or

(iii) (in the case of a Term Advance relating to an Accumulation Series of Covered Bonds) the Required Coupon Amount payable on the immediately succeeding LLP Payment Date for each such Term Advance, and

(b) thereafter, make a Cash Capital Contribution to the LLP not less than one London Business Day after:

(i) each Loan Interest Payment Date, in an amount equal to the aggregate of the Required Coupon Amount due on the next following Loan Interest Payment Date in respect of each Term Advance without a Covered Bond Swap in place other than an Accumulation Series of Covered Bonds; and/or

(ii) each date on which the LLP is due to make a payment under a Covered Bond Swap, in an amount equal to the aggregate of the Required Coupon Amount due on the next date on which the LLP is due to make a payment under the relevant Covered Bond Swap in respect of each Term Advance with a Covered Bond Swap in place; and/or

(iii) each LLP Payment Date, in an amount equal to the aggregate of the Required Coupon Amount due on the next following LLP Payment Date in respect of each Term Advance relating to an Accumulation Series of Covered Bonds.

If a Cash Manager Relevant Event has occurred and is continuing, the LLP will not be required to hold amounts in respect of the LLP Monthly Interest Amount in the relevant Interest Accumulation Ledger in respect of an Accumulation Series of Covered Bonds and may apply the payments that would otherwise be paid into the relevant Interest Accumulation Ledger in accordance with the Priority of Payments to make a payment to the Coupon Payment Ledger. Any surplus over and above the amount to be deposited as described above will be paid into the Interest Accumulation Ledger.

The LLP will transfer an amount equal to the Cash Capital Contribution it receives from NatWest within one London Business Day of receipt of such amount into the relevant Deposit Account as applicable and make a credit to the Coupon Payment Ledger. On the date of the transfer, the LLP will, on the direction of the Issuer, deliver an irrevocable payment instruction (specifying the ISIN and/or CUSIP as applicable or the relevant Series of Covered Bonds) to the Account Bank to pay such amounts to the Principal Paying Agent (where there is no Covered Bond Swap in place) or the relevant Covered Bond Swap Provider (where there is a Covered Bond Swap in place), as applicable on the dates referred to above.

Interest Accumulation Ledger

In relation to each Accumulation Series of Covered Bonds, the Cash Manager shall maintain an Interest Accumulation Ledger, to which the LLP Monthly Interest Amount will be credited on each LLP Payment Date. Amounts standing to the credit of the Interest Accumulation Ledger in respect of each such Accumulation Series of Covered Bonds will be applied on the relevant Loan Interest Payment Date, together with Available Revenue Receipts (applied in accordance with the relevant Priorities of Payments), to make payments under the Term Advances or Covered Bonds, as applicable.

CASHFLOWS

As described above under "*Credit Structure*", until a Notice to Pay or LLP Acceleration Notice is served on the LLP, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not it has received any corresponding payment from the LLP.

This section summarises the Priorities of Payments of the LLP, as to the allocation and distribution of amounts standing to the credit of the LLP Accounts and their order of priority:

(a) prior to service on the LLP of an Asset Coverage Test Breach Notice, a Notice to Pay or an LLP Acceleration Notice;

(b) following service of an Asset Coverage Test Breach Notice (and for so long as it remains outstanding);

(c) following service of a Notice to Pay; and

(d) following service of an LLP Acceleration Notice, realisation of the Security and/or the commencement of winding-up proceedings against the LLP.

If the Transaction Account is closed in accordance with the terms of the Bank Account Agreement, any payment to be made to or from the Transaction Account shall, as applicable, be made to or from the relevant Deposit Account, or no payment shall be made at all if such payment is expressed to be from the relevant Deposit Account to the Transaction Account.

LLP Payment Dates will occur monthly.

Allocation and distribution of Available Revenue Receipts prior to the service of an Asset Coverage Test Breach Notice which remains outstanding, a Notice to Pay or an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security

Prior to service of an Asset Coverage Test Breach Notice which remains outstanding, a Notice to Pay or an LLP Acceleration Notice on the LLP and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security, Available Revenue Receipts will be allocated and distributed as described below.

On the Calculation Date immediately preceding each LLP Payment Date, the LLP or the Cash Manager on its behalf shall calculate the amount of Available Revenue Receipts available for distribution on the immediately following LLP Payment Date, the Reserve Fund Required Amount and the Required Coupon Amount (in each case, if applicable).

If the Pre-Maturity Test has failed in respect of a Series of Hard Bullet Covered Bonds, on each Calculation Date falling in the eleven (11) months prior to the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds the LLP or the Cash Manager on its behalf shall calculate whether or not the amount standing to the credit of the Pre-Maturity Liquidity Ledger on that Calculation Date is less than the Required Redemption Amount for that Series of Hard Bullet Covered Bonds (taking into account the Required Redemption Amount of any other Series of Hard Bullet Covered Bonds which mature prior to or on the same date as the relevant Series of Hard Bullet Covered Bonds).

Pre-Acceleration Revenue Priority of Payments

On each LLP Payment Date, the LLP or the Cash Manager on its behalf will transfer Available Revenue Receipts from the relevant Deposit Account to the Transaction Account, in an amount equal to the lower of (a) the amount required to make the payments described below (taking into account any Available Revenue Receipts standing to the credit of the Transaction Account) and (b) the amount of Available Revenue Receipts standing to the credit of the relevant Deposit Account.

Prior to service of an Asset Coverage Test Breach Notice which remains outstanding, a Notice to Pay or service of an LLP Acceleration Notice on the LLP and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security, Available Revenue Receipts (as calculated on the immediately preceding Calculation Date) will be applied by or on behalf of the LLP on each LLP Payment Date (except for amounts due to the Bond Trustee and the Security Trustee or to other third parties by the LLP or the Issuer under paragraphs (b) and (c) below or Third Party Amounts, which shall be paid when due) in making the following payments and provisions (the **Pre-Acceleration Revenue Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, in or towards satisfaction of any remuneration then due and payable to the Security Trustee and any costs, charges, liabilities and expenses then due or to become due and payable to the Security Trustee in the immediately succeeding LLP Payment Period under the provisions of the Deed of Charge together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein;

(b) *second*, in or towards satisfaction of any amounts due and payable by the LLP to third parties and incurred without breach by the LLP of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere in the relevant Priorities of Payments) and to provide for any such amounts expected to become due and payable by the LLP in the immediately succeeding LLP Payment Period and to pay and discharge any liability of the LLP for taxes;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer (including, without limitation, any amounts payable by the Servicer to any stand-by or back-up servicer appointed pursuant to the terms of the Servicing Agreement) under the provisions of the Servicing Agreement in the immediately succeeding LLP Payment Period, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager (including, without limitation, any amounts payable by the Cash Manager to any stand-by or back-up cash manager appointed pursuant to the terms of the Cash Management Agreement) under the provisions of the Cash Management Agreement in the immediately succeeding LLP Payment Period, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(iii) any remuneration then due and payable to the Account Bank and any costs, charges, liabilities and expenses then due or to become due and payable to the Account Bank pursuant to the terms of the Bank Account Agreement in the immediately succeeding

LLP Payment Period, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(iv) any remuneration then due and payable to the Swap Collateral Account Bank and any costs, charges, liabilities and expenses then due or to become due and payable to the Swap Collateral Account Bank pursuant to the terms of the Swap Collateral Account Bank Agreement and the Custody Agreement in the immediately succeeding LLP Payment Period, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(v) any remuneration then due and payable to the Corporate Services Provider and any costs, charges, liabilities and expenses then due or to become due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement in the immediately succeeding LLP Payment Period, together with applicable VAT (or other similar taxes) thereon to the extent provided therein; and

(vi) any remuneration then due and payable to the Asset Monitor and any costs, charges, liabilities and expenses then due or to become due and payable to the Asset Monitor under the provisions of the Asset Monitor Agreement in the immediately succeeding LLP Payment Period, together with applicable VAT (or other similar taxes) thereon to the extent provided therein (other than any indemnity payments referred to in paragraph (k) below);

(d) *fourth*, in or towards payment *pro rata* and *pari passu* of any amount due and payable to the Interest Rate Swap Provider (including any termination payment due and payable by the LLP under the Interest Rate Swap Agreement (but excluding any Excluded Swap Termination Amount) or to become due and payable in the immediately succeeding LLP Payment Period pursuant to the terms of the Interest Rate Swap Agreement (except to the extent that such amounts have been paid out of any premia received from any relevant replacement Interest Rate Swap Providers);

(e) *fifth*, in or towards payment *pro rata* and *pari passu* on the LLP Payment Date or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine (and in the case of any such payment or provision, after taking into account any provisions previously made and any amounts receivable from the Interest Rate Swap Provider under the Interest Rate Swap Agreement and, if applicable, any amounts (other than principal) receivable from a Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement on the LLP Payment Date or such date in the future as the Cash Manager may reasonably determine):

(i) by taking into account any amounts paid from amounts credited to the Coupon Payment Ledger of the relevant Deposit Account, in respect of any Term Advance with a Covered Bond Swap in place, any amounts due and payable or to become due and payable to the Covered Bond Swap Providers (other than in respect of principal) *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment (other than in relation to principal) due and payable by the LLP under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from the relevant replacement Swap Providers) pursuant to the terms of the relevant Covered Bond Swap Agreements; and

(ii) in respect of any Term Advance without a Covered Bond Swap in place, and taking into account any amounts paid from amounts credited to the Coupon Payment Ledger and, in respect of any Term Advance that relates to an Accumulation Series of

Covered Bonds, any amount credited to the Interest Accumulation Ledger in respect of that Term Advance, in each case, of the relevant Deposit Account, any amounts due and payable or to become due and payable (excluding principal amounts), *pro rata* and *pari passu* in respect of each relevant Term Advance to the Issuer pursuant to the terms of the Intercompany Loan Agreement; and

(iii) in respect of any Accumulation Series of Covered Bonds, where the amount is not due and payable in respect of any related Term Advance, to, if applicable, make a credit to the Interest Accumulation Ledger in respect of that Term Advance in an amount equal to the LLP Monthly Interest Amount;

(f) *sixth*, if a Cash Manager Relevant Event has occurred and is continuing, in or towards a deposit to the relevant Deposit Account (with a corresponding credit to the Coupon Payment Ledger maintained in respect of that account) of an amount up to but not exceeding the amount by which the then applicable Required Coupon Amount exceeds the amount standing to the credit of the Coupon Payment Ledger;

(g) *seventh*, if the LLP is required to make a credit to the Pre-Maturity Liquidity Ledger in accordance with the LLP Deed, in or towards a deposit to the relevant Deposit Account (with a corresponding credit to the Pre-Maturity Liquidity Ledger maintained in respect of that account) of an amount up to but not exceeding the difference between:

(i) the Required Redemption Amount as calculated on the immediately preceding Calculation Date for each relevant Series of Hard Bullet Covered Bonds; and

(ii) any amounts standing to the credit of the Pre-Maturity Liquidity Ledger on the immediately preceding Calculation Date after deducting from that Ledger the Required Redemption Amounts of all other Series of Hard Bullet Covered Bonds as calculated on that Calculation Date which mature prior to or at the same date as the relevant Series of Hard Bullet Covered Bonds;

(h) *eighth*, if a Servicer Event of Default has occurred, all remaining Available Revenue Receipts to be credited to the relevant Deposit Account (with a corresponding credit to the Revenue Ledger maintained in respect of that account) until such Servicer Event of Default is either remedied by the Servicer or waived by the Security Trustee or a new servicer is appointed to service the Portfolio (or the relevant part thereof);

(i) *ninth*, in or towards a deposit to the relevant Deposit Account, with a corresponding credit to the Reserve Ledger of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount exceeds the existing balance on the Reserve Ledger as calculated on the immediately preceding Calculation Date;

(j) *tenth*, payment *pro rata* and *pari passu* in accordance with the respective amounts thereof of any Excluded Swap Termination Amounts due and payable by the LLP under the Covered Bond Swap Agreements and the Interest Rate Swap Agreement;

(k) *eleventh*, in or towards payment *pro rata* and *pari passu* in accordance with the respective amounts thereof of any indemnity amount due to the Asset Monitor pursuant to the Asset Monitor Agreement, and any indemnity amount due to the Members and/or any member of the LLP Management Committee pursuant to the LLP Deed;

(l) *twelfth*, in or towards repayment to NatWest of any Cash Capital Contributions made by NatWest (in its capacity as a Member of the LLP) to credit the Coupon Payment Ledger of the relevant Deposit Account;

(m) *thirteenth*, in or towards payment of the NWB Deferred Consideration;

(n) *fourteenth*, in or towards payment of the fee of £50 (inclusive of any VAT) due to the Liquidation Member; and

(o) *fifteenth*, towards payment *pro rata* and *pari passu* to the Members of the sum of £3,000 per annum (or such other sum as may be agreed by the Members from time to time) in aggregate, to be allocated and paid to each Member in proportion to their respective Capital Contribution Balances as at the relevant Calculation Date subject to a minimum of £1 per annum each, as their profit for their respective interests as Members of the LLP.

On each Loan Interest Payment Date, any amount standing to the credit of the Interest Accumulation Ledger and (without double counting) any amount credited to the Interest Accumulation Ledger on such Loan Interest Payment Date (if such Loan Interest Payment Date is also an LLP Payment Date) in accordance with paragraph (e)(iii) above shall be applied in paying interest due on the Term Advance in respect of such Accumulation Series of Covered Bonds at paragraph (e)(ii) of the Pre-Acceleration Revenue Priority of Payments to the extent such amounts are due and payable.

If a Cash Manager Relevant Event occurs, the LLP will not be required to make a credit to the Interest Accumulation Ledger and it may apply the payments that would otherwise be paid into the relevant Interest Accumulation Ledger in accordance with the Priority of Payments to make a payment to the Coupon Payment Ledger to fund, in whole or in part, the amount to be deposited by NatWest pursuant to the LLP Deed.

Any amounts (other than Swap Collateral Excluded Amounts and Swap Provider Tax Payments) received by the LLP under the Interest Rate Swap Agreement on or after the LLP Payment Date but prior to the next LLP Payment Date will be applied, together with any provision for such payments made on any preceding LLP Payment Date, to make payments (other than in respect of principal) due and payable *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap to each relevant Covered Bond Swap Provider under each relevant Covered Bond Swap Agreement or, as the case may be, to the Issuer in respect of each relevant Term Advance under the Intercompany Loan Agreement (in which case, no further amounts will be paid to the Issuer under the Intercompany Loan, unless the Issuer has directed the LLP to make all such payments to the Principal Paying Agent) or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine unless an Asset Coverage Test Breach Notice has been served and remains outstanding.

Any amounts (other than in respect of principal and other than Swap Collateral Excluded Amounts and Swap Provider Tax Payments) received by the LLP under a Covered Bond Swap on or after the LLP Payment Date but prior to the next LLP Payment Date will be applied, together with any provision for such payments made on any preceding LLP Payment Date, to make payments (other than in respect of principal) due and payable to the Issuer in respect of each relevant Term Advance under the Intercompany Loan Agreement or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine, unless an Asset Coverage Test Breach Notice has been served and remains outstanding (in which case, no further amounts will be paid to the Issuer under the Intercompany Loan, unless the Issuer has directed the LLP to make all payments to the Principal Paying Agent).

Any amounts (other than Swap Collateral Excluded Amounts and Swap Provider Tax Payments) received by the LLP under the Interest Rate Swap Agreement and any amounts (other than in respect of principal and other than Swap Collateral Excluded Amounts and Swap Provider Tax Payments) received under the Covered Bond Swap Agreements on or after the LLP Payment Date but prior to

the next LLP Payment Date which are not put towards a payment or provision in accordance with paragraph (e) of the Pre-Acceleration Revenue Priority of Payments or the preceding two paragraphs will be credited to the Revenue Ledger and applied as Available Revenue Receipts on the next succeeding LLP Payment Date.

Pursuant to the Intercompany Loan Agreement and the LLP Deed, the Issuer requires the LLP to direct each Covered Bond Swap Provider to pay any amounts due to the LLP under a Covered Bond Swap, the proceeds of which would otherwise (prior to the service on the LLP of an Asset Coverage Test Breach Notice which remains outstanding, a Notice to Pay or an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or the realisation of the Security) be applied by the LLP in repayment of the relevant Term Advance to the Issuer in each case, directly to the Bond Trustee or (if so directed by the Bond Trustee) to the Principal Paying Agent, unless either:

(a) the Issuer has paid or discharged the corresponding payment under the relevant Series of Covered Bonds; or

(b) following a Cash Manager Relevant Event and for so long as a Cash Manager Relevant Event is continuing, the corresponding payment under the relevant Series of Covered Bonds has been paid from amounts standing to the credit of the Coupon Payment Ledger on the relevant Deposit Account pursuant to the LLP Deed (in which case, the relevant amount shall be paid by the LLP to such account of the Issuer as is notified to the LLP by the Issuer for this purpose).

In addition, the Issuer has directed the LLP (prior to service of a Notice to Pay or an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or the realisation of the Security) to pay all sums to be paid to the Issuer under the Intercompany Loan to the Bond Trustee or (if directed by the Bond Trustee) the Principal Paying Agent.

Amounts (if any) standing to the credit of the Transaction Account which are not available to be applied in accordance with paragraphs (a) to (o) of the Pre-Acceleration Revenue Priority of Payments above or paragraphs (a) to (e) of the Pre-Acceleration Principal Priority of Payments below will be re-credited to the appropriate ledger in the relevant Deposit Account on the LLP Payment Date.

Allocation and distribution of Available Principal Receipts prior to service of an Asset Coverage Test Breach Notice which remains outstanding, a Notice to Pay or an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security

Prior to service on the LLP of an Asset Coverage Test Breach Notice which remains outstanding, a Notice to Pay or an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security, Available Principal Receipts will be allocated and distributed as described below.

On each Calculation Date, the LLP or the Cash Manager on its behalf will calculate the amount of Available Principal Receipts available for distribution on the immediately following LLP Payment Date.

On each LLP Payment Date, the LLP or the Cash Manager on its behalf will transfer Available Principal Receipts from the relevant Deposit Account to the Transaction Account, in an amount equal to the lower of (a) the amount required to make the payments or credits described below (taking into account any Available Principal Receipts standing to the credit of the Transaction Account) and (b) the amount of all Available Principal Receipts standing to the credit of the relevant Deposit Account.

If an LLP Payment Date is the same as an Interest Payment Date, then the distribution of Available Principal Receipts under the Pre-Acceleration Principal Priority of Payments will be delayed until the Issuer has made scheduled interest and/or principal payments due and payable under the Covered Bonds on that Interest Payment Date unless the Issuer has directed the LLP to make payment under the Intercompany Loan Agreement directly to the Bond Trustee (or the Principal Paying Agent at the direction of the Bond Trustee).

Pre-Acceleration Principal Priority of Payments

Prior to service on the LLP of an Asset Coverage Test Breach Notice (which remains outstanding), a Notice to Pay or an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security, all Available Principal Receipts (other than Cash Capital Contributions which are available to be applied to fund the Pre-Maturity Liquidity Ledger made from time to time by the Seller (in its capacity as a Member of the LLP)) as calculated on the immediately preceding Calculation Date will be applied by or on behalf of the LLP on each LLP Payment Date in making the following payments and provisions (the **Pre-Acceleration Principal Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full to the extent the same are payable on the relevant LLP Payment Date, provided that:

(i) so long as the amounts required pursuant to paragraph (a) below have been reserved for in full, the Cash Manager may, at the direction of the LLP, apply Available Principal Receipts on any London Business Day to acquire New Loans, Additional Loan Advances and Flexible Loan Drawings in accordance with paragraph (b) below; and/or

(ii) so long as the amount required pursuant to paragraphs (a) to (d) (inclusive) below has been reserved for in full, the Cash Manager may, at the direction of the LLP, apply Available Principal Receipts on any London Business Day to make a Capital Distribution to a Member at the option of that Member):

(a) *first*, if the Pre-Maturity Test has been failed by the Issuer in respect of any Series of Hard Bullet Covered Bonds, to credit the Pre-Maturity Liquidity Ledger in an amount up to but not exceeding the difference between:

(i) the Required Redemption Amount calculated on the immediately preceding Calculation Date for each relevant Series of Hard Bullet Covered Bonds; and

(ii) any amounts standing to the credit of the Pre-Maturity Liquidity Ledger on the immediately preceding Calculation Date after deducting from that Ledger the Required Redemption Amount of all other Hard Bullet Covered Bonds, as calculated on that Calculation Date, which mature prior to or on the same date as the relevant Series of Hard Bullet Covered Bonds;

(b) *second*, to acquire New Loans and their Related Security and/or Additional Loan Advances and Flexible Loan Drawings offered to the LLP by the Seller in accordance with the terms of the Mortgage Sale Agreement in an amount at least sufficient to ensure that taking into account the other resources available to the LLP, the LLP is in compliance with the Asset Coverage Test and thereafter to acquire Substitution Assets;

(c) *third*, to deposit the remaining Available Principal Receipts in the relevant Deposit Account (with a corresponding credit to the Principal Ledger) in an amount sufficient to ensure that

taking into account the other resources available to the LLP, the LLP is in compliance with the Asset Coverage Test;

(d) *fourth*, *pro rata* and *pari passu* according to the respective amounts thereof, in or towards payment on the LLP Payment Date (or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine) of:

(i) the amounts (in respect of principal) due and payable to the relevant Covered Bond Swap Providers (or to become due and payable in the immediately succeeding LLP Payment Period) *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the LLP under the relevant Covered Bond Swap Agreements, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premia received from the relevant replacement Covered Bond Swap Provider) in accordance with the terms of the relevant Covered Bond Swap Agreement; and

(ii) (where appropriate, after taking into account any amounts in respect of principal receivable from a Covered Bond Swap Provider on the LLP Payment Date or such date in the future as the Cash Manager may reasonably determine) the amounts (in respect of principal) due or to become due and payable to the Issuer *pro rata* and *pari passu* in respect of each relevant Term Advance; and

(e) *fifth*, subject to complying with the Asset Coverage Test, and at the option of the relevant Member to make a Capital Distribution to NatWest (as a Member) by way of distribution of its equity in the LLP in accordance with the LLP Deed.

Unless an Asset Coverage Test Breach Notice has been served and remains outstanding, any amounts in respect of principal received by the LLP under a Covered Bond Swap on or after the LLP Payment Date but prior to the next LLP Payment Date will be applied, together with any provision for such payments made on any preceding LLP Payment Date, to make payments directly to the Bond Trustee or (if so directed by the Bond Trustee) to the Principal Paying Agent unless either the Issuer has paid or discharged the corresponding payment under the relevant Series of Covered Bonds or, following a Cash Manager Relevant Event and for so long as a Cash Manager Relevant Event is continuing, the corresponding payment under the relevant Series of Covered Bonds has been paid from amounts standing to the credit of the Coupon Payment Ledger of the relevant Deposit Account pursuant to the LLP Deed or (provided that all principal amounts outstanding under the related Series of Covered Bonds which have fallen due for repayment on such date have been repaid in full by the Issuer) to make payments in respect of principal due and payable to the Issuer in respect of the corresponding Term Advance under the Intercompany Loan Agreement or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling in the future as the Cash Manager may reasonably determine.

Any amounts of principal (other than Swap Collateral Excluded Amounts and Swap Provider Tax Payments) received by the LLP under the Covered Bond Swaps on or after the LLP Payment Date but prior to the next LLP Payment Date which are not put towards a payment or provision in accordance with paragraph (d) above or the preceding paragraph will be credited to the Principal Ledger and applied as Available Principal Receipts on the next LLP Payment Date.

Allocation and distribution of Available Revenue Receipts and Available Principal Receipts following service of an Asset Coverage Test Breach Notice which remains outstanding

At any time after service on the LLP of an Asset Coverage Test Breach Notice (which remains outstanding), but prior to service on the LLP of a Notice to Pay or service of an LLP Acceleration

Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security, all Available Revenue Receipts and Available Principal Receipts will continue to be applied in accordance with the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments, respectively, save that, whilst any Covered Bonds remain outstanding, no monies (including for the avoidance of doubt, any monies then standing to the credit of the Interest Accumulation Ledger) will be applied under paragraph (e)(ii) (unless such amounts are to be paid directly to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent), (k) (to the extent only that such amounts are payable to the Members), (l), (m), (n) or (o) of the Pre-Acceleration Revenue Priority of Payments or paragraph (b), (d)(ii) (unless such amounts are to be paid directly to the Bond Trustee) or (if so directed by the Bond Trustee) or (e) of the Pre-Acceleration Principal Priority of Payments. For the avoidance of doubt, after service of an Asset Coverage Test Breach Notice but prior to service of a Notice to Pay, any amounts due from the Covered Bond Swap Provider shall be paid directly to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent.

Allocation and distribution of Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay but prior to service of an LLP Acceleration Notice and/or the realisation of the Security and/or the commencement of winding-up proceedings in respect of the LLP

At any time after service of a Notice to Pay on the LLP, but prior to service of an LLP Acceleration Notice and/or the realisation of the Security and/or the commencement of winding-up proceedings in respect of the LLP and/or realisation of the Security, Available Revenue Receipts and Available Principal Receipts will be applied as described below under "*Guarantee Priority of Payments*".

On each LLP Payment Date, the LLP or the Cash Manager on its behalf will transfer Available Revenue Receipts and Available Principal Receipts from the relevant Deposit Account to the Transaction Account, in an amount equal to the lower of (a) the amount required to make the payments set out in the Guarantee Priority of Payments and (b) the amount of all Available Revenue Receipts and Available Principal Receipts standing to the credit of the relevant Deposit Account.

The LLP will create and maintain ledgers for each Series of Covered Bonds and record amounts allocated to such Series of Covered Bonds in accordance with paragraph (e) of the Section "*Guarantee Priority of Payments*" below, and such amounts, once allocated, will only be available to pay amounts due under the Covered Bond Guarantee and amounts due under the Covered Bond Swap(s) in respect of the relevant Series of Covered Bonds on the scheduled repayment dates thereof.

Guarantee Priority of Payments

On each LLP Payment Date after the service of a Notice to Pay on the LLP but prior to service of an LLP Acceleration Notice and/or the realisation of the Security and/or the commencement of winding-up proceedings in respect of the LLP, the LLP or the Cash Manager on its behalf will apply Available Revenue Receipts and Available Principal Receipts as calculated on the immediately preceding Calculation Date to make the following payments and provisions in the following order of priority (the **Guarantee Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) all amounts due and payable and any costs, charges, liabilities and expenses then due or to become due and payable to the Bond Trustee in the immediately succeeding LLP Payment Period under the provisions of the Trust Deed together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein;

(ii) all amounts due and payable and any costs, charges, liabilities and expenses then due or to become due and payable to the Security Trustee in the immediately succeeding LLP Payment Period under the provisions of the Deed of Charge together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein;

(b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable and any costs, charges, liabilities and expenses then due or to become due and payable to the Agents in the immediately succeeding LLP Payment Period pursuant to the provisions of the Agency Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein; and

(ii) any amounts then due and payable by the LLP to third parties and incurred without breach by the LLP of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and to provide for any such amounts expected to become due and payable by the LLP in the immediately succeeding LLP Payment Period and to pay or discharge any liability of the LLP for taxes;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer in the immediately succeeding LLP Payment Period under the provisions of the Servicing Agreement (including, without limitation, any amounts payable by the Servicer to any stand-by or back-up servicer appointed pursuant to the terms of the Servicing Agreement), together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager in the immediately succeeding LLP Payment Period under the provisions of the Cash Management Agreement (including, without limitation, any amounts payable by the Cash Manager to any stand-by or back-up servicer appointed pursuant to the terms of the Cash Management Agreement), together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(iii) amounts (if any) due and payable to the Account Bank and any costs, charges, liabilities and expenses then due or to become due and payable in the immediately succeeding LLP Payment Period to the Account Bank (including costs) pursuant to the terms of the Bank Account Agreement, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(iv) any remuneration then due and payable to the Swap Collateral Account Bank and any costs, charges, liabilities and expenses then due or to become due and payable to the Swap Collateral Account Bank pursuant to the terms of the Swap Collateral Account Bank Agreement and the Custody Agreement in the immediately succeeding LLP Payment Period, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(v) amounts due and payable to the Corporate Services Provider and any costs, charges, liabilities and expenses due or to become due and payable in the immediately succeeding LLP Payment Period to the Corporate Services Provider pursuant to the Corporate Services Agreement together with applicable VAT (or similar taxes) thereon to the extent provided therein;

(vi) amounts (if any) due and payable to the FCA or to become due and payable in the immediately succeeding LLP Payment Period under the RCB Regulations (other than the initial registration fees) together with applicable VAT (or other similar taxes) thereon; and

(vii) amounts due and payable to the Asset Monitor and any costs, charges, liabilities and expenses due or to become due and payable in the immediately succeeding LLP Payment Period to the Asset Monitor (other than the amounts referred to in paragraph (l) below) pursuant to the terms of the Asset Monitor Agreement, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(d) *fourth*, in or towards payment *pro rata* and *pari passu* of any amounts due and payable to the relevant Interest Rate Swap Provider (including any termination payment due and payable by the LLP under the Interest Rate Swap Agreement but excluding any Excluded Swap Termination Amount) or to become due and payable in the immediately succeeding LLP Payment Period (except to the extent that such amounts have been paid out of any premia received from any replacement Interest Rate Swap Provider) pursuant to the terms of the Interest Rate Swap Agreement;

(e) *fifth*, to pay *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) taking into account any amounts paid from amounts credited to the Coupon Payment Ledger of the relevant Deposit Account in respect of any Term Advance with a Covered Bond Swap in place, the amounts due and payable (or to become due and payable in the immediately succeeding LLP Payment Period) by the LLP to the relevant Covered Bond Swap Providers under the relevant Covered Bond Swap Agreements (other than in respect of principal) *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment (other than in respect of principal) but excluding any Excluded Swap Termination Amount (except to the extent that such amounts have been paid out of any premiums received from the relevant replacement Covered Bond Swap Provider)); and

(ii) in respect of any Term Advance without a Covered Bond Swap in place, by taking into account any amounts paid from amounts credited to the Coupon Payment Ledger and, in respect of any Term Advance that relates to an Accumulation Series of Covered Bonds, any amount credited to the Interest Accumulation Ledger in respect of that Series of Covered Bonds, in each case, of the relevant Deposit Account to pay any amounts due and payable to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* Scheduled Interest that is Due for Payment (or will become Due for Payment in the immediately succeeding LLP Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds; and

(iii) in respect of any Accumulation Series of Covered Bonds, where the amount is not due and payable in respect of any related Series of Covered Bonds to, if applicable, a credit to the Interest Accumulation Ledger in respect of that Series of Covered Bonds in an amount equal to the LLP Monthly Interest Amount,

but, in the case of any such payment or provision, after taking into account any amounts received or receivable from the Interest Rate Swap Provider in respect of the relevant Interest Rate Swap and, if applicable, any amounts (other than in respect of principal) received or receivable from a Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement on the relevant LLP Payment Date or in the immediately succeeding LLP Payment Period, provided that if the amount available for distribution under this paragraph (e) (excluding any amounts received (or to be received) from the Covered Bond Swap Provider) would be insufficient to pay the Sterling Equivalent of the Scheduled Interest that is Due for Payment in respect of each Series of Covered Bonds under paragraph (e)(ii) above, the shortfall shall be divided among all such Series of Covered Bonds on a pro rata basis and the amount payable by the LLP to the relevant Covered Bond Swap Provider in respect of each relevant Covered Bond Swap under paragraph (e)(i) above shall be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(f) *sixth*, *pro rata* and *pari passu* according to the respective amounts thereof, in or towards payment on the LLP Payment Date (or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine) of:

(i) the amounts (in respect of principal) due and payable (or to become due and payable in the immediately succeeding LLP Payment Period) to the relevant Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each relevant Series of Covered Bond Swap due and payable by the LLP under the relevant Covered Bond Swap Agreement (but, for the avoidance of doubt, excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premia received from any relevant replacement Covered Bond Swap Provider) pursuant to the terms of the relevant Covered Bond Swap Agreement; and

(ii) where appropriate, after taking into account any amounts (in respect of principal) receivable from a Covered Bond Swap Provider on the LLP Payment Date or such date in the future as the Cash Manager may reasonably determine, to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* in respect of Scheduled Principal that is Due for Payment (or will become Due for Payment in the immediately succeeding LLP Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds on the Final Maturity Date or, if the applicable Final Terms specified that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Extended Due for Payment Date,

provided that if the amount available for distribution under this paragraph (f) (excluding any amounts received or to be received from the relevant Covered Bond Swap Provider) would be insufficient to pay the Sterling Equivalent of the Scheduled Principal that is Due for Payment in respect of each relevant Series of Covered Bonds under paragraph (f)(ii) above, the shortfall shall be divided among all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the LLP to the relevant Covered Bond Swap Provider in respect of each relevant Covered Bond Swap under paragraph (f)(i) above shall be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(g) *seventh*, in respect of any Series of Covered Bonds to which an Extended Due for Payment Date applies (the **Extended Covered Bonds**) where the Extended Due for Payment Date is

one (1) year or less from the relevant LLP Payment Date and any relevant Covered Bond Swap in respect thereof, on a *pro rata* and *pari passu* basis according to the respective amounts thereof in or towards payment on the LLP Payment Date (or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine) of:

(i) the amounts (in respect of principal) due and payable to each relevant Covered Bond Swap Provider (or to become due and payable in the immediately succeeding LLP Payment Period) *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (but, for the avoidance of doubt, excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premia received from any relevant replacement Covered Bond Swap Provider) pursuant to the terms of the relevant Covered Bond Swap Agreements; and

(ii) where appropriate, after taking into account any amounts (in respect of principal) receivable from a Covered Bond Swap Provider on the LLP Payment Date or such date in the future as the Cash Manager may reasonably determine, to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* the Final Redemption Amount or the relevant proportion thereof under the relevant Covered Bond Guarantee in respect of each relevant Series of Extended Covered Bonds,

provided that if the amount available for distribution under this paragraph (g) (excluding any amounts received or to be received from the relevant Covered Bond Swap Provider) would be insufficient to pay the Sterling Equivalent of the Final Redemption Amount in respect of each relevant Series of Extended Covered Bonds under paragraph (g)(ii) above, the shortfall shall be divided among all such Series of Extended Covered Bonds on a *pro rata* basis and the amount payable by the LLP to the relevant Covered Bond Swap Provider under each relevant Covered Bond Swap Agreement in respect of each relevant Series of Extended Covered Bonds under paragraph (g)(i) above shall be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(h) *eighth*, in respect of any Extended Covered Bonds where the Extended Due for Payment Date is more than one (1) year from the relevant LLP Payment Date and any relevant Covered Bond Swap in respect thereof, on a *pro rata* and *pari passu* basis according to the respective amounts thereof in or towards payment on the LLP Payment Date (or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Cash Manager may reasonably determine) of:

(i) the amounts (in respect of principal) due and payable to each relevant Covered Bond Swap Provider or to become due and payable in the immediately succeeding LLP Payment Period *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (but, for the avoidance of doubt, excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premia received from any relevant replacement Covered Bond Swap Provider) pursuant to the terms of the relevant Covered Bond Swap Agreement; and

(ii) where appropriate, after taking into account any amounts (in respect of principal) receivable from a Covered Bond Swap Provider on the LLP Payment Date or such date in the future as the Cash Manager may reasonably determine, to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* the Final Redemption Amount or the relevant proportion thereof under the relevant Covered Bond Guarantee in respect of each relevant Series of Extended Covered Bonds,

provided that if the amount available for distribution under this paragraph (h) (excluding any amounts received or to be received from the relevant Covered Bond Swap Provider) would be insufficient to pay the Sterling Equivalent of the Final Redemption Amount in respect of each relevant Series of Extended Covered Bonds under paragraph (h)(ii) above, the shortfall shall be divided among all such Series of Extended Covered Bonds on a *pro rata* basis and the amount payable by the LLP to the relevant Covered Bond Swap Provider under each relevant Covered Bond Swap Agreement in respect of each relevant Series of Extended Covered Bonds under paragraph (h)(i) above shall be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(i) *ninth*, to deposit the remaining monies in the relevant Deposit Account for application on the next following LLP Payment Date in accordance with the priority of payments described in paragraphs (a) to (h) (inclusive) above, until the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds);

(j) *tenth*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of any Excluded Swap Termination Amount due and payable by the LLP to each Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement and to each Interest Rate Swap Provider under the relevant Interest Rate Swap Agreement;

(k) *eleventh*, after the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds), any remaining monies will be applied in and towards repayment in full of amounts outstanding under the Intercompany Loan Agreement;

(l) *twelfth*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of any indemnity amount due to the Members pursuant to the LLP Deed (and, if NatWest is not then a Member of the LLP, towards repayment of the Subordinated Loan) any indemnity amount due to any members of the LLP Management Committee and certain costs, expenses and indemnity amounts due by the LLP to the Asset Monitor pursuant to the Asset Monitor Agreement; and

(m) *thirteenth*, thereafter any remaining monies will be applied in or toward payment to the Members in accordance with the LLP Deed.

On each Interest Payment Date, any amount standing to the credit of the Interest Accumulation Ledger and (without double counting) any amount credited to the Interest Accumulation Ledger on such Interest Payment Date (if such Interest Payment Date is also an LLP Payment Date), in accordance with paragraph (e)(iii) of the Guarantee Priority of Payments in respect of an Accumulation Series of Covered Bonds, shall be applied in paying Scheduled Interest that is Due for Payment in respect of such Accumulation Series of Covered Bonds in accordance with paragraph (e)(ii) above of the Guarantee Priority of Payments.

Termination payments received in respect of Swaps; premiums received in respect of replacement Swaps

If the LLP receives any termination payment from a Swap Provider in respect of a Swap, such termination payment will first be used (prior to the occurrence of an LLP Event of Default and service on the LLP of an LLP Acceleration Notice and/or the commencement of winding-up proceedings against the LLP and/or realisation of the Security) to pay a replacement Swap Provider(s) to enter into a replacement Swap with the LLP, unless a replacement Swap has already been entered into on behalf of the LLP. If the LLP receives any premium from a replacement Swap

Provider in respect of a replacement Swap, such premium will first be used to make any termination payment due and payable by the LLP with respect to the previous Swap, unless such termination payment has already been made on behalf of the LLP.

Any amounts received by the LLP which are not applied to pay a premium to a replacement Swap Provider(s) to enter into a replacement Swap Agreement(s) will be credited to the Revenue Ledger and applied as Available Revenue Receipts on the next succeeding LLP Payment Date.

Any premium received by the LLP from a replacement Swap Provider(s) to enter into a replacement Swap Agreement(s) which is not applied to pay a termination payment to the replaced Swap Provider(s) will be credited to the Revenue Ledger and applied as Available Revenue Receipts on the next LLP Payment Date.

Application of monies received by the Security Trustee following the occurrence of an LLP Event of Default and enforcement of the Security, realisation of the Security and/or the commencement of winding-up proceedings against the LLP

Under the terms of the Deed of Charge, all monies received or recovered by the Security Trustee (or a Receiver appointed on its behalf) (excluding all amounts due or to become due in respect of any Tax Credits, Third Party Amounts, Swap Collateral Excluded Amounts or Swap Provider Tax Payments) following the enforcement of the Security, realisation of the Security and/or the commencement of winding-up proceedings against the LLP will be applied in the following order of priority (the **Post-Enforcement Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) all amounts due and payable to:

(A) the Bond Trustee under the provisions of the Trust Deed together with interest and applicable VAT (or other similar taxes) thereon as provided therein; and

(B) the Security Trustee and any Receiver appointed by the Security Trustee under the provisions of the Deed of Charge together with interest and applicable VAT (or other similar taxes) thereon to the extent provided therein;

(ii) all amounts due and payable to the Agents under or pursuant to the Agency Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(iii) all amounts due and payable to:

(A) the Servicer under the provisions of the Servicing Agreement, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(B) the Cash Manager under the provisions of the Cash Management Agreement, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(C) the Account Bank under the provisions of the Bank Account Agreement, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(D) the Swap Collateral Account Bank under the provisions of the Swap Collateral Account Bank Agreement and the Custody Agreement, together with applicable VAT (or other similar taxes) thereon to the extent provided therein;

(E) the Corporate Services Provider under the provisions of the Corporate Services Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein; and

(F) to the Asset Monitor under the provisions of the Asset Monitor Agreement (other than the amounts referred to in paragraph (d) below) together with applicable VAT (or other similar taxes) thereon, to the extent provided therein;

(iv) any amounts due and payable to the Interest Rate Swap Provider (including any termination payment (but excluding any Excluded Swap Termination Amounts)) pursuant to the terms of the Interest Rate Swap Agreement;

(v) all amounts due and payable:

(A) to the relevant Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds (including any termination payment due and payable by the LLP under the relevant Covered Bond Swap Agreement (but excluding any Excluded Swap Termination Amount)) in accordance with the terms of the relevant Covered Bond Swap Agreement; and

(B) under the Covered Bond Guarantee, to the Bond Trustee on behalf of the Covered Bondholders *pro rata* and *pari passu* in respect of interest and principal due and payable on each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (a)(v) (excluding any amounts received from any Covered Bond Swap Provider in respect of amounts referred to in paragraph (A) above) would be insufficient to pay the Sterling Equivalent of the amounts due and payable under the Covered Bond Guarantee in respect of each Series of Covered Bonds under paragraph (B) above, the shortfall shall be divided among all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the LLP to the relevant Covered Bond Swap Provider in respect of each relevant Series of Covered Bonds under paragraph (A) above shall be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(b) *second*, *pro rata* and *pari passu*, according to the respective amounts thereof, of any Excluded Swap Termination Amounts due and payable by the LLP to the relevant Swap Provider under the relevant Swap Agreement;

(c) *third*, after the Covered Bonds have been fully repaid, any remaining monies shall be applied in or towards repayment in full of all amounts outstanding under the Intercompany Loan Agreement;

(d) *fourth*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of any indemnity amount due to the Members and/or any member of the LLP Management Committee pursuant to the LLP Deed and certain costs, expenses and indemnity amounts due by the LLP to the Asset Monitor pursuant to the Asset Monitor Agreement; and

(e) *fifth*, thereafter any remaining monies shall be applied in or towards payment to the Members pursuant to the LLP Deed.

The above Post-Enforcement Priority of Payments will be subject to the provisions of Regulations 28 and 29 of the RCB Regulations. In particular, costs properly incurred by an administrator, administrative receiver, a receiver, liquidator, provisional liquidator or manager of the LLP in relation to:

(i) persons providing services for the benefit of Covered Bondholders (which pursuant to the RCB Regulations shall include the persons listed in paragraph (a) above (excluding the Swap Providers));

(ii) the Swap Providers in respect of amounts due to them under paragraph (a) above; and

(iii) any other persons (other than the Issuer) providing a loan to the LLP to enable it to meet the claims of Covered Bondholders or the costs of the people described in paragraphs (i) and (ii) above (e.g. liquidity loans),

will be expenses which will be payable out of the proceeds of realisation of the Security (in the case of a receivership) or the assets of the LLP (in the case of an administration, winding-up or provisional liquidation), and shall rank equally among themselves in priority to all other expenses (including the claims of Covered Bondholders).

FURTHER INFORMATION RELATING TO THE REGULATION OF MORTGAGES IN THE UK

Certain Regulatory Considerations

Regulated Mortgage Contracts

In the UK, regulation of residential mortgage business under the FSMA came into force on 31 October 2004 (the date known as the **Regulation Effective Date**). Entering into a regulated mortgage contract as a lender, arranging a regulated mortgage contract or advising in respect of a regulated mortgage contract, and administering a regulated mortgage contract (or agreeing to do any of those activities) are (subject to applicable exemptions) regulated activities under the FSMA and RAO, requiring authorisation and permission from the FCA.

The original definition of a regulated mortgage contract was such that if a mortgage contract was entered into on or after the Regulation Effective Date but prior to 21 March 2016, it will be a Regulated Mortgage Contract under the RAO if: (i) the lender provided credit to an individual or to trustees; (ii) the obligation of the Borrower to repay was secured by a first legal mortgage on land (other than timeshare accommodation) in the UK; and (iii) at least 40% of that land was used, or was intended to be used, as or in connection with a dwelling by the Borrower or (in the case of credit provided to trustees) by an individual who was a beneficiary of the trust, or by a related person. A related person (in relation to a borrower, or in the case of credit provided to trustees, a beneficiary of the trust) is: (1) that person's spouse or civil partner; (2) a person (whether or not of the opposite sex) whose relationship with that person has the characteristics of the relationship between husband and wife; or (3) that person's parent, brother, sister, child, grandparent or grandchild (a **Related Person**).

The current definition of a Regulated Mortgage Contract (a **Regulated Mortgage Contract**) is such that if the mortgage contract was entered into on or after 21 March 2016, it will be a Regulated Mortgage Contract if it meets the following conditions (when read in conjunction with and subject to certain relevant exclusions): (a) the borrower is an individual or trustee; and (b) the contract provides for the obligation of the borrower to repay is secured by a mortgage on land, at least 40% of which is used, or is intended to be used: (i) in the case of credit provided to an individual, as or in connection with a dwelling; or (ii) in the case of credit provided to a trustee who is not an individual as or in connection with a dwelling by an individual who is a beneficiary of the trust, or by a Related Person. In relation to a contract entered into before 23:00 on 31 December 2020, 'land' means land in the United Kingdom or within the territory of an EEA State and in relation to a contract entered into on or after 23:00 on 31 December 2020, 'land' means land in the United Kingdom.

Credit agreements that were originated before 21 March 2016, which were regulated by the CCA, and that would have been Regulated Mortgage Contracts had they been entered into on or after 21 March 2016, are "consumer credit back book mortgage contracts" and are also therefore Regulated Mortgage Contracts.

On and from the Regulation Effective Date, subject to any exemption, persons carrying on any specified regulated mortgage related activities by way of business must be authorised under the FSMA. The specified activities currently are: (a) entering into a Regulated Mortgage Contract as lender; (b) "administering" a Regulated Mortgage Contract (administering in this context broadly means notifying borrowers of changes in mortgage payments and/or taking any necessary steps for the purposes of collecting payments due under the mortgage loan); (c) advising in respect of Regulated Mortgage Contracts; and (d) arranging Regulated Mortgage Contracts. Agreeing to carry on any of these activities is also a regulated activity. If requirements as to the authorisation of lenders and brokers are not complied with, a Regulated Mortgage Contract will be unenforceable against the borrower except with the approval of a court and the unauthorised person may commit a

criminal offence. An unauthorised person who carries on the regulated mortgage activity of administering a Regulated Mortgage Contract that has been validly entered into may commit an offence, although this will not render the contract unenforceable against the borrower. The regime under the FSMA regulating financial promotions covers the content and manner of the promotion of agreements relating to qualifying credit and who can issue or approve financial promotions. In this respect, the FSMA regime not only covers financial promotions of Regulated Mortgage Contracts but also promotions of certain other types of secured credit agreements under which the lender is a person (such as an originator) who carries on the regulated activity of entering into a Regulated Mortgage Contract. Failure to comply with the financial promotion regime (as regards who can issue or approve financial promotions) is a criminal offence and will render the Regulated Mortgage Contract or other secured credit agreement in question unenforceable against the borrower except with the approval of a court.

The Servicer is required to hold and does hold authorisation and permission to enter into and to administer Regulated Mortgage Contracts. Brokers are in certain circumstances required to hold authorisation and permission to arrange and, where applicable, to advise in respect of Regulated Mortgage Contracts. The LLP is not, and does not propose to be, an authorised person under the FSMA. Under the RAO, the LLP does not require authorisation in order to acquire legal or beneficial title to a Regulated Mortgage Contract. The LLP does not carry on the regulated activity of administering Regulated Mortgage Contracts by having them administered pursuant to a servicing agreement by an entity having the required authorisation and permission under the FSMA. If such a servicing agreement terminates, the LLP will have a period of not more than one month (beginning with the day on which such arrangement terminates) in which to arrange for mortgage administration to be carried out by a replacement servicer having the required FSMA authorisation and permission.

The LLP will only hold beneficial title to the Loans and their Related Security. In the event that legal title is transferred to the LLP, the LLP will have arranged for a servicer to administer these Loans and is not expected to enter into any new Regulated Mortgage Contracts as lender under Article 61(1) of the RAO. However, in the event that a mortgage is varied, such that a new contract is entered into and that contract constitutes a Regulated Mortgage Contract, then the arrangement of, advice on, administration of and entering into of such variation would need to be carried out by an appropriately authorised entity.

The FCA's "Mortgages and Home Finance: Conduct of Business" sourcebook (**MCOB**), which sets out the FCA's rules for regulated mortgage activities, came into force on 31 October 2004. These rules cover, among other things, certain pre origination matters such as financial promotion and pre application illustrations, pre contract and start of contract and post contract disclosure, contract changes, charges and arrears and repossessions.

It is possible that further changes may be made to the FCA's MCOB rules as a result of the FCA's ongoing reviews and other related future regulatory reforms. To the extent that any new rules do apply to any of the Loans, failure to comply with these rules may entitle a borrower to claim damages for loss suffered or set off the amount of the claim against the amount owing under the loan.

Regulation of buy-to-let mortgage loans

Buy-to-let mortgage loans can fall under several different regulatory regimes. They can be:

- unregulated;

- regulated by the Consumer Credit Act 1974 (the **CCA**) as a regulated credit agreement – as defined by Article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the **RAO**) (a **Regulated Credit Agreement**);

- regulated by the Financial Services and Markets Act 2000 (the **FSMA**) as a regulated mortgage contract – as defined under Article 61 RAO (a **Regulated Mortgage Contract**); or

- regulated as a consumer buy-to-let mortgage contract under the consumer buy-to-let regime – as defined by the Mortgage Credit Directive Order 2015 (a **Consumer Buy-to-Let Loan**).

Buy-to-let loans were regulated by the CCA if: (a) they were entered into prior to 31 October 2008; and (b) the amount of the advance did not exceed £25,000. Such buy-to-let mortgages are not caught by the definition of a "consumer credit back book mortgage contract" and so any buy-to-let loans regulated by the CCA will continue to be regulated by the CCA notwithstanding the implementation of the Mortgage Credit Directive Order 2015. Non-compliance with certain provisions of the CCA may render a regulated credit agreement totally unenforceable or unenforceable without a court order or an order of the appropriate regulator, or may render the borrower not liable to pay interest or charges in relation to the period of non-compliance.

As well as owner occupied Regulated Mortgage Contracts, the Portfolio comprises buy-to-let loans that the Seller believes are unregulated. If any of the Loans are in fact Regulated Credit Agreements, then breach of the relevant regulations could give rise to a number of consequences (as applicable), including but not limited to: unenforceability of the Loans, interest payable under the Loans being irrecoverable for certain periods of time, or borrowers being entitled to claim damages for losses suffered and being entitled to set off the amount of their claims against the amount owing by the borrower under the Loans.

Unregulated buy-to-let mortgage loans

Many buy-to-let mortgage loans will be unregulated because they do not meet the criteria for a Regulated Credit Agreement, Regulated Mortgage Contract or Consumer Buy-to-Let Loan. There are, however, still some regulated activities that apply to unregulated buy-to-let mortgage loans; the relevant activities in respect of the Loans being debt administration and debt collection. The Servicer and the LLP following a Perfection Event will be excluded as lender from the regulated activities of debt administration and debt collection in respect of any unregulated loan, Consumer Buy-to-Let Loans or Regulated Credit Agreements.

Matters relating to buy-to-let Loans

The Borrowers' ability to make payments in respect of the Loans is likely to depend on the Borrowers' ability to let the relevant Properties on appropriate terms. It is intended that the Properties which secure such Loans will be let by the relevant Borrower to tenants but there can be no guarantee that each such Property will be the subject of an existing tenancy at the point any such Loan is acquired by the LLP or that any tenancy which is granted will subsist throughout the life of the Loan and/or that the rental income achievable from tenancies of the relevant Property over time will be sufficient (whether or not there is any default of payment in rent) to provide the Borrower with sufficient income to meet the Borrower's obligations in respect of the Loan.

Consequently, the Security for the Covered Bonds may be affected by the condition of the private residential rental market in the United Kingdom. The condition of the market will influence both the ability of the Borrowers to find tenants and the level of rental income which may be achieved in letting. The obligations of a Borrower to make payment under the Loan are unconditional without regard to whether the Property is let or the amount of rent received by the Borrower from the relevant tenant.

Upon enforcement of a Loan in respect of a Property which is the subject of an existing tenancy, the Servicer may not be able to obtain vacant possession of that Property until the end of the tenancy. If

the Servicer enforces whilst the tenancy is continuing and sells the Property as an investment property with one or more tenants in situ, this may affect the amount which may be realised in the sale, although the existence of any such tenant paying rent in full on a timely basis may not have an adverse effect on the amount of such realisation. However, in the UK it is common for tenancies to be only for six or 12 months, so a tenanted property will often be vacated sooner than an owner-occupied property. Additionally, enforcement procedures in relation to such Loans include the ability to appoint a receiver of rent, in which case such a receiver would collect any rents payable in respect of such property and apply them in payment of any arrears of principal and interest under the Loan.

Investors should note that on 11 September 2024 the UK Government introduced the Renters' Rights Bill to the House of Commons and the Bill received Royal Assent on 27 October 2025. Although it received Royal Assent on 27 October 2025, none of the substantive provisions of the Renters' Rights Act are yet in force.

The Renters' Rights Act (which mainly affects lettings in England with other legislation applying for Scotland and Northern Ireland) will remove a landlord's ability to use "no fault" evictions under Section 21 of the Housing Act 1988; give tenants the ability to challenge above-market rent increases, expand the application of the "Decent Homes Standard" and establish a landlord redress scheme.

The first phase of reforms will convert relevant existing tenancies and all new relevant tenancies into assured periodic tenancies (**APT**s) and abolish section 21 "no fault" evictions ; this first phase of reform under the Act will come into force on 1 May 2026. The Act's remaining provisions will be brought into force in two further phases. In the second phase from late 2026, the government will introduce a database of PRS properties to bring together key information for landlords, tenants, and councils. The database content will inform tenant choices when entering new tenancies; will help landlords understand their obligations and demonstrate compliance; and will support councils in targeting enforcement. In this phase the government will establish a Landlord Ombudsman for the PRS to improve dispute resolution, aiming to settle issues between tenants and landlords without costly court proceedings.

Phase three will focus on raising standards through the extension of Awaab's Law (which mandates strict timeframes for UK social landlords to fix serious hazards like damp and mould) and a modernised Decent Homes Standard to the private rented sector. The timescales for implementing these changes will be subject to consultation.

The change of assured shorthold tenancies to APTs may have an adverse impact in particular with regard to private landlords who provide student housing as tenancies currently commonly run in line with the academic year. However, a new ground for possession will enable landlords to terminate student APTs of houses in multiple occupation (**HMO**s) between 1 June and 30 September inclusive in each year, in a bid to ensure that landlords can obtain possession to re-let to students for the new academic year, provided that certain conditions are met. For existing tenancies, landlords will only be able to rely on this new ground if they provide tenants with a warning notice within one month of the Act coming into force on 1 May 2026. This new ground for possession cannot be relied upon in the context of non-HMO student lettings – studio apartments and one- or two-bedroom properties let to students will be subject to the new APT regime like other private sector lettings, with no special ground for possession.

As at the date of this Prospectus, the impact of the new legislation is uncertain but may adversely affect the private residential rental market in England and Wales and the ability of individual Borrowers of buy-to-let loans to meet their obligations under those loans.

Since April 2020 the UK Government has been implementing a phased restriction on the amount of income tax relief that individual landlords can claim for residential property finance costs (such as

mortgage interest). Since 6 April 2020, no deduction has been available for finance costs from rental income and instead all rental income in only eligible for a tax credit at the basic rate of income tax. From April 2027, provisions in the Finance Bill 2026 first published on 4 December 2025 provide that the tax credit will be available at a newly introduced property basic rate of tax.

A higher rate of stamp duty land tax (**SDLT**) and, in Scotland, land and building transaction tax (**LBTT**) (and, from 1 April 2018, Welsh Land Transaction Tax (**WLTT**)) applies to the purchase of additional residential properties (such as buy-to-let properties). The current additional rate is 5% above the current SDLT rates in England and Northern Ireland; in relation to properties located in Wales, the additional residential rate is 5 per cent higher than the main WLTT rate for the first £180,000 of purchase price; for subsequent bands of purchase price, the additional rates remain higher than the main WLTT rates (by differing percentages) and the bands of purchase price to which the additional rates are applied are structured differently to the main WLTT bands; and in Scotland the additional dwelling supplement (akin to the higher rate) is 8 per cent. above the current LBTT rates.

In the UK, from 1 April 2021 an additional SDLT surcharge of 2% applies to purchases of residential property in England and Northern Ireland by non-UK resident buyers. This applies in addition to the 5 per cent. additional rate that applies to the purchase of additional residential properties in England and Northern Ireland described above.

From 1 April 2018, landlords of relevant domestic properties in England and Wales may not grant a tenancy to new or existing tenants if their property has an EPC rating of band F or G (as shown on a valid Energy Performance Certificate (**EPC**) for the property) and, from 1 April 2020, landlords must not continue letting a relevant domestic property which is already let if that property has an EPC rating of band F or G (as shown on a valid EPC for the property). In both cases described above this is referred to in the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (the **Energy Efficiency Regulations 2015**) as the prohibition on letting sub-standard property. Where a landlord wishes to continue letting property which is currently sub-standard, the landlord will need to ensure that energy efficiency improvements are made which raise the EPC rating to a minimum of E. In certain circumstances landlords may be able to claim an exemption from this prohibition on letting sub-standard property; this includes situations where the landlord is unable to obtain funding to cover the cost of making improvements, or where all improvements which can be made have been made, and the property remains below an EPC rating of E. Local authorities will enforce compliance with the domestic minimum level of energy efficiency. Local authorities may check whether a property meets the minimum level of energy efficiency, and may issue a compliance notice requesting information where it appears to them that a property has been let in breach of the Energy Efficiency Regulations 2015 (or an invalid exemption has been registered in respect of it). Where a local authority is satisfied that a property has been let in breach of the Energy Efficiency Regulations 2015 it may serve a notice on the landlord imposing financial penalties. On 4 December 2024, the government launched a consultation with respect to reforming the energy performance of buildings framework.

On 7 February 2025, the government launched a consultation on improving the energy performance of privately rented homes. This consultation sought views on government's proposal to amend the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (from now on referred to as 'the PRS Regulations'). It also sought views on changes to the Energy Act 2011, the primary legislation which gives government the powers to amend the PRS Regulations.

Minimum energy efficiency standards (**MEES**) in the private rented sector (**PRS**) have been required since 2018. These standards require properties to be at an Energy Performance Certificate E or above in order to be let out, unless a valid exemption applies. The government are considering options to raise energy efficiency standards in the domestic PRS to make homes easier to heat, tackling fuel poverty and lowering carbon emissions. The government have stated that the recently published

consultation on the future of Energy Performance Certificates provides an opportunity to ensure that new standards in the PRS incentivise the right measures for each home. In this 2025 PRS consultation, the government sought stakeholder views on the approach to new PRS standards. The consultation closed on 2 May 2025 and the government are analysing feedback.

Landlords in Scotland currently need to have a valid EPC available for a property offered for let when there is a change in tenancy. Under the Energy Performance of Building (Scotland) Regulations 2008 the EPC is valid for a period of up to ten years, and must be lodged on the EPC register. There are existing mechanisms to enforce this requirement, although it should be noted that in Scotland the basis for assessment of EPC ratings is different from that in England and Wales, which can lead to different ratings for similar buildings in both jurisdictions.

In order to set similar standards in the private rented sector in Scotland compared to those in England and Wales, the Scottish Government has published, in draft form, The Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations 2020 to ensure that all privately rented homes in Scotland meet a minimum standard of energy efficiency. These regulations were to be put in place from 1 October 2020 but their introduction has been withdrawn due to the impact of Covid-19. The Scottish Government has since introduced The Energy Performance of Buildings (Scotland) Regulations 2025 which will come into force on 31 October 2026 and is anticipated to require all properties in the private rented sector to reach MEES equivalent to EPC C, where technically feasible and cost effective, at change of tenancy, with a backstop of 2028 for new tenancies and 2033 for all remaining existing properties.

Unfair relationships

Under the CCA, the earlier "extortionate credit" regime was replaced by an "unfair relationship" test. The "unfair relationship" test applies to all existing and new credit agreements, except Regulated Mortgage Contracts and also applies to (as described below) "consumer credit back book mortgage contracts". If the court makes a determination that the relationship between a lender and a borrower is unfair, then it may make an order, among other things, requiring the relevant originator of the loans, or any assignee such as the LLP, to repay amounts received from such borrower. In applying the "unfair relationship" test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the conduct of the creditor (or anyone acting on behalf of the creditor) before and after making the agreement or in relation to any related agreement. There is no statutory definition of the word "unfair" in the CCA as the intention is for the test to be flexible and subject to judicial discretion and it is therefore difficult to predict whether a court would find a relationship "unfair". However, the word "unfair" is not an unfamiliar term in UK legislation due to the UTCCR (and the CRA (each as defined below)). The courts may, but are not obliged to, look solely to the CCA for guidance. The principle of "treating customers fairly" under the FSMA, and guidance published by the FSA and, subsequently, the FCA on that principle and by the OFT on the unfair relationship test, may also be relevant. Under the CCA, once the debtor alleges that an "unfair relationship" exists, the burden of proof is on the creditor to prove the contrary.

Plevin v Paragon Personal Finance Limited [2014] UKSC 61, a Supreme Court judgment, has clarified that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness, as a wider range of considerations may be relevant to the fairness of the relationship than those which would be relevant to the application of the rules. Where add-on products such as insurance are sold and are subject to significant commission payments, it is possible that the non-disclosure of commission by the lender is a factor that could form part of a finding of unfair relationship.

If a mortgage loan subject to the unfair relationship test is found to be unfair, the court has a wide range of powers and may require the lender (and any associate or former associate of the lender) to repay sums to the debtor, or to do, not do or cease doing anything in relation to the agreement or any

related agreement, and may require the lender to reduce or discharge any sums payable by the debtor or surety, return to a surety any security provided by him, alter the terms of the agreement, direct accounts to be taken or otherwise set aside any duty imposed on the debtor or surety. The term creditor (i.e. lender as defined under section 189 of the CCA) means the person providing the credit under a consumer credit agreement or the person to whom their rights and duties under the agreement have passed by assignment or operation of law.

Distance marketing

In the UK, the Financial Services (Distance Marketing) Regulations 2004 (the **DM Regulations**) apply to contracts for financial services entered into on or after 31 October 2004 by a "consumer" within the meaning of the DM Regulations by means of distance communication (i.e. without any substantive simultaneous physical presence of the originator and the borrower).

The DM Regulations (and MCOB in respect of activities related to Regulated Mortgage Contracts) require suppliers of financial services by way of distance communication to provide certain information to consumers. This information generally has to be provided before the consumer is bound by a distance contract for the supply of the financial services in question and includes, but is not limited to, general information in respect of the supplier and the financial service, contractual terms and conditions, and whether or not there is a right of cancellation.

A Regulated Mortgage Contract under the FSMA, if originated by a UK lender (who is authorised by the FCA) from an establishment in the UK, will not be cancellable under the DM Regulations but will be subject to related pre-contract disclosure requirements in MCOB. Failure to comply with MCOB rules could result in, inter alia, disciplinary action by the FCA and possible claims under Section 138D of the FSMA for breach of FCA rules.

Certain other agreements for financial services will be cancellable under the DM Regulations if the borrower does not receive prescribed information at the prescribed time. Where the credit agreement is cancellable under the DM Regulations, the Borrower may send notice of cancellation at any time before the end of the fourteenth day beginning with (i) the day after the day on which the contract is made (where all the prescribed information has been provided prior to the contract being entered into); or (ii) the days after the day on which the last of the prescribed information is provided (where all of the prescribed information was not provided prior to the contract being entered into).

Compliance with the DM Regulations may be secured by way of injunction (or, in Scotland, interdict), obtained by an enforcement authority, granted on such terms as the court thinks fit to ensure such compliance, and certain breaches of the DM Regulations may render the supplier or intermediaries (and their respective relevant officers) liable to a fine.

If the borrower cancels the credit agreement under the DM Regulations, then:

(i) the borrower is liable to repay the principal, and any other sums paid by or on behalf of the lender to the borrower under or in relation to the contract, within 30 calendar days of cancellation beginning with the day of the borrower sending notice of cancellation or, if later, the lender receiving notice of cancellation;

(ii) the borrower is liable to pay interest, early repayment charges and other charges for services actually provided in accordance with the contract only if: (i) the amount is in proportion to the extent of the service provided (in comparison with the full coverage of the contract) and is not such that it could be construed as a penalty; (ii) the borrower received certain prescribed information at the prescribed time about the amounts payable; and (iii) the originator did not commence performance of the contract before the expiry of the relevant cancellation period unless requested to do so by the borrower); and

(iii) any security provided in relation to the contract is to be treated as never having had effect.

Unfair Terms in Consumer Contracts Regulations 1994 and 1999 and the Consumer Rights Act 2015

In the UK, the Unfair Terms in Consumer Contracts Regulations 1999 as amended (the **1999 Regulations**), and (insofar as applicable) the Unfair Terms in Consumer Contracts Regulation 1994 (together with the 1999 Regulations, the **UTCCR**), apply to business-to-consumer agreements made on or after 1 July 1995 and before 1 October 2015 where the terms have not been individually negotiated (and the "consumer" for these purposes falls within the definition provided in the UTCCR). The Consumer Rights Act 2015 (the **CRA**) has revoked the UTCCR in respect of contracts made on or after 1 October 2015. In respect of contracts that (a) were entered into on or after 1 October 2015; or (b) were, since 1 October 2015, subject to a material variation such that they are treated as new contracts falling within the scope of the CRA, the CRA applies. The CRA is also applicable on or after 1 October 2015, to notices of variation, such as variation of interest rate under contracts.

The FCA have stated that the finalised FCA guidance "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" applies equally to factors that firms should consider to achieve fairness under the UTCCR.

The UTCCR and the CRA provide that a consumer (which would include a Borrower under all or almost all of the Loans) may challenge a term in an agreement on the basis that it is "unfair" within the UTCCR or the CRA, as applicable, and therefore not binding on the consumer (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term) and provide that a regulator may take action to stop the use of terms which are considered to be unfair.

(i) UTCCR

The UTCCR will not generally affect terms which define the main subject matter of the contract, such as the borrower's obligation to repay the principal, provided that these terms are written in plain and intelligible language and are drawn adequately to the consumer's attention. The UTCCR may affect terms that are not considered to be terms which define the main subject matter of the contract, such as the lender's power to vary the interest rate and certain terms imposing early repayment charges and mortgage exit administration fees. For example, if a term permitting the lender to vary the interest rate (as the originator is permitted to do) were found to be unfair, the borrower would not be liable to pay interest at the increased rate or, to the extent that the borrower has paid it, would be able, as against the lender, or any assignee such as the LLP, to claim repayment of the extra interest amounts paid or to set off the amount of the claim against the amount owing by the borrower under the loan or any other loan agreement that the borrower has taken with the lender (or exercise analogous rights in Scotland).

(ii) CRA

The main provisions of the CRA came into force on 1 October 2015 and apply to agreements made on or after that date. The CRA significantly reforms and consolidates consumer law in the UK. The CRA involves the creation of a single regime out of the Unfair Contract Terms Act 1977 (which essentially deals with attempts to limit liability for breach of contract) and the UTCCR for contracts entered into on or after 1 October 2015. The CRA has revoked the UTCCR in respect of contracts made on or after 1 October 2015 and introduced a new regime for dealing with unfair contractual terms as follows:

Under Part 2 of the CRA, an unfair term of a consumer contract (a contract between a trader and a consumer) is not binding on a consumer (an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession). Additionally, an unfair notice is not binding on a consumer, although a consumer may rely on the term or notice if the consumer chooses to do so. A term will be unfair where, contrary to the requirement of good faith, it causes significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer. In determining whether a term is fair, it is necessary to: (i) take into account the nature of the subject matter of the contract; (ii) refer to all the circumstances existing when the term was agreed; and (iii) refer to all of the other terms of the contract or any other contract on which it depends.

Schedule 2 of the CRA contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 11 lists "a term which has the object or effect of enabling the trader to alter the terms of the contract unilaterally without a valid reason which is specified in the contract", although paragraph 22 of Schedule 2 provides that this does not include a term by which a supplier of financial services reserves the right to alter the rate of interest payable by or due to the consumer, or the amount of other charges for financial services without notice where there is a valid reason if the supplier is required to inform the consumer of the alteration at the earliest opportunity and the consumer is free to dissolve the contract immediately.

A term of a consumer contract which is not on the "grey list" may nevertheless be regarded as unfair.

Where a term of a consumer contract is "unfair", it will not bind the consumer. However, the remainder of the contract will, so far as practicable, continue to have effect in every other respect. Where a term in a consumer contract is susceptible of multiple different meanings, the meaning most favourable to the consumer will prevail. It is the duty of the court to consider the fairness of any given term. This can be done even where neither of the parties to proceedings have explicitly raised the issue of fairness.

(iii) Regulatory developments

Historically the OFT, FSA and FCA (as appropriate) have issued guidance on the UTCCR. This has included: (i) OFT guidance on fair terms for interest variation in mortgage contracts dated February 2000; (ii) an FSA statement of good practice on fairness of terms in consumer contracts dated May 2005; (iii) an FSA statement of good practice on mortgage exit administration fees dated January 2007; and (iv) FSA finalised guidance on unfair contract terms and improving standards in consumer contracts dated January 2012.

On 2 March 2015, the FCA updated its online unfair contract terms library by removing some of its material (including the above mentioned guidance) relating to unfair contract terms. The FCA stated that such material "no longer reflects the FCA's views on unfair contract terms" and that firms should no longer rely on the content of the documents that have been removed.

On 19 December 2018, the FCA published finalised guidance: "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" (FG 18/7), outlining factors the FCA consider firms should have regard to when drafting and reviewing variation terms in consumer contracts. This follows developments in case law, including at the Court of Justice of the EU (the **CJEU**). The finalised guidance relates to all financial services consumer contracts entered into since 1 July 1995. The FCA stated that firms should consider both this guidance and other rules that apply when they draft and use variation terms in their consumer contracts. The FCA stated that the finalised guidance will apply to FCA authorised persons and their appointed representative in relation to any consumer contracts which contain variation terms.

Ultimately, only a court can decide whether a term is fair, however it may take into account relevant guidance published by the Competition and Markets Authority (the "**CMA**") or the FCA.

The Unfair Contract Terms and Consumer Notices Regulation Guide (UNFCOG in the FCA handbook) explains the FCA's policy on how it uses its powers under the CRA and the CMA published guidance on the unfair terms provisions in the CRA on 31 July 2015 (the **CMA Guidance**). The CMA indicated in the CMA Guidance that the fairness and transparency provisions of the CRA are regarded as being "effectively the same as those of the UTCCR" (save in applying the consumer notices and negotiated terms). The document further notes that "the extent of continuity in unfair terms legislation means that existing case law generally, and that of the Court of Justice of the EU particularly, is for the most part as relevant to the Act as it was to the UTCCRs".

In general, the interpretation of the UTCCR and/or CRA is open to some doubt, particularly in light of sometimes conflicting case law between English courts and the CJEU. The broad and general wording of the UTCCR and CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Loans which have been made to Borrowers covered by the UTCCR and/or the CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans.

FCA Consumer Duty

The Consumer Duty aims to set a higher level of consumer protection in retail financial markets by requiring regulated firms to act to ensure good retail customer outcomes. It applied from 31 July 2023 for products and services that remain open to sale or renewal and from 31 July 2024 for closed products and services.

The Consumer Duty applies to the regulated activities and ancillary activities of all firms authorised under the FSMA.

There are three main elements to the Consumer Duty, comprising a new consumer principle, that "a firm must act to deliver good outcomes for the retail consumers of its products", cross-cutting rules supporting the consumer principle, and four outcomes, relating to the quality of firms' products and services, price and value, consumer understanding and consumer support.

The Consumer Duty applies not only at origination of a product but throughout its subsistence (so in the case of a mortgage loan, throughout the period the mortgage loan is outstanding). The cross-cutting rules include an obligation to avoid causing foreseeable harm to the consumer and the outcomes include an obligation to ensure that the product (for example, a mortgage loan) provides fair value to the retail customer. These obligations (as with the remainder of the Consumer Duty) must be assessed on a regular basis throughout the life of the product.

The FCA's guidance states that the Consumer Duty does not apply to unregulated buy-to-let mortgage loans but there are some circumstances in which the Consumer Duty would apply to the servicing of buy-to-let mortgage loans. The Consumer Duty applies to product manufacturers and distributors, which include purchasers of in scope mortgage loans, as well as firms administering or servicing those mortgage loans. Although the Consumer Duty will not apply retrospectively, the FCA will require firms to apply the Consumer Duty to existing products on a forward-looking basis. The FCA has its usual enforcement powers, such as issuing fines and securing redress for consumers, in relation to breaches of the Consumer Duty.

Breathing Space Regulations

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (SI 2020/1311) (**Breathing Space Regulations**) (which came into force on 4 May 2021) give eligible individuals in England and Wales the right to legal protection from their creditors, including almost all enforcement action, during a period of "breathing space". A standard breathing space will give an individual in England and Wales with problem debt legal protection from creditor action for up to 60 days; and a mental health crisis breathing space will give an individual in England and Wales protection from creditor action for the duration of their mental health crisis treatment (which is not limited in duration) plus an additional 30 days.

However, the Breathing Space Regulations do not apply to mortgages, except for arrears which are uncapitalised at the date of the application under the Breathing Space Regulations. Interest can still be charged on the principal secured debt during the breathing space period, but not on the arrears.

Any mortgage arrears incurred during any breathing space period are not protected from creditor action. The Borrower must continue to make mortgage payments in respect of any mortgage secured against their primary residence (save in respect of arrears accrued prior to the moratorium) during the breathing space period, otherwise the relevant debt adviser may cancel the breathing space period.

In February 2021, the FCA issued a policy statement (PS21/1) on the application of the Breathing Space Regulations, in which they confirm that no changes are currently being made to the rules under MCOB, in relation to how mortgage lenders should treat a "breathing space" as an indicator of payment difficulties. The FCA's view is that this is something that firms should take into account, but should not be treated more specifically than other potential indicators of payment difficulties.

In Scotland, eligible individuals are afforded similar legal protection under the Bankruptcy (Scotland) Act 2016 although the moratorium period of 42 days is shorter than in England and Wales and does not make any accommodation for mental health crisis.

Home Owner and Debtor Protection (Scotland) Act 2010

Part I of the Home Owner and Debtor Protection (Scotland) Act 2010 came into force on 30 September 2010 and imposes additional requirements on heritable creditors (the Scottish equivalent to a mortgagee) in relation to the enforcement of standard securities over residential property in Scotland. Under Part I of this Act, the heritable creditor, which may be the Seller or, in the event of it taking legal title to the Scottish Loans and their Related Security, the LLP, has to obtain a court order to exercise its power of sale (in addition to initiating the enforcement process by the service of a two-month "calling up" notice), unless the borrower and any other occupiers have surrendered the property voluntarily. In applying for the court order, the heritable creditor also has to demonstrate that it has taken various preliminary steps to attempt to resolve the borrower's position, and comply with further procedural requirements, which may restrict the ability of the Seller (or LLP, as applicable) as heritable creditor in respect of the Scottish Loans and their Related Security to exercise its power of sale.

Consumer Protection from Unfair Trading Regulations and the Digital Markets, Competition and Consumers Act 2024

The Consumer Protection from Unfair Trading Regulations 2008 (the CPUTR) came into force on 26 May 2008 and prohibits certain practices which are deemed "unfair" within the terms of the CPUTR. Breach of the CPUTR does not (of itself) render an agreement void or unenforceable, but is a criminal offence punishable by a fine and/or imprisonment. In addition, under the CPUTR, a commercial practice within the scope of the CPUTR may be regarded as unfair and prohibited if it is:

(a) contrary to the standard of special skill and care which a trader may reasonably be expected to exercise towards consumers, commensurate with either honest market practice or general principles of good faith in the trader's field of activity; and

(b) materially distorts or is likely to materially distort the economic behaviour of the average consumer (who is reasonably well informed and reasonably observant and circumspect).

Under the terms of the CPUTR, the possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreements may result in irrecoverable losses on amounts to which such agreements apply. The Consumer Protection (Amendment) Regulations 2014 (SI No. 870/2014) came into force on 1 October 2014 and amended the CPUTR. In certain circumstances, these amendments to the CPUTR give consumers a right to redress for misleading or aggressive commercial practices (as defined in the CPUTR), including a right to unwind agreements.

From 6 April 2025, the CPUTR have been revoked and replaced by the Digital Market, Competition and Consumers Act 2024 (DMCCA). However, CPUTR will still apply to any conduct occurring prior to 6 April 2025.

In addition to some minor amendments to the CPUTR rules, the new regime introduces new rules on consumer reviews, drip pricing and consumer vulnerability. In addition, the DMCCA largely replicates the list of specified banned practices contained in the CPUTR and creates new powers to expand the list of automatically unfair practices. Under the DMCCA, the unfair commercial practices regime, along with all other consumer protection legislation, has become subject to a new enforcement regime under which the CMA has new direct enforcement powers, which will operate in parallel with a court-based enforcement regime

It cannot be excluded that the new rules and enforcement regime under the DMCCA will have an adverse impact on the Mortgage Loans.

Repossessions

There is a protocol for mortgage possession claims in England and Wales (the **Pre-action Protocol**). The Pre-action Protocol sets out the steps that judges will expect any lender to take before starting a claim. A number of mortgage lenders have confirmed that they will delay the initiation of repossession action for at least three months after a borrower, who is an owner-occupier, is in arrears. In addition, under the Pre-action Protocol the lender must consider whether to postpone the start of a possession claim where the borrower has made a genuine complaint to the Financial Ombudsman Service (the **Ombudsman**) about the potential possession claim. The application of such a moratorium is subject to the wishes of the relevant borrower and may not apply in cases of fraud. The Pre-action Protocol expressly states that it does not apply to "Buy to Let mortgages" (although the Pre-action Protocol has not been updated to expressly confirm that it does not apply to consumer buy-to-let mortgages).

In addition, MCOB rules for regulated mortgage contracts from 25 June 2010 prevent the lender from: (a) repossessing the property unless all other reasonable attempts to resolve the position have failed, which include considering whether it is appropriate to offer an extension of term, or a change in the product type; and (b) automatically capitalising a payment shortfall.

In addition, the Mortgage Repossessions (Protection of Tenants etc) Act 2010 came into force on 1 October 2010. The Act gives courts in England and Wales the same power to postpone and suspend repossession for up to two (2) months on application by an unauthorised tenant (i.e. a tenant in possession without the lender's consent) as generally exists on application by an authorised tenant. The lender has to serve notice at the property before enforcing a possession order.

With respect to buy-to-let mortgages, note that from 1 May 2026, the notice period for a mortgagee to gain vacant possession to exercise their power of sale will extend to 4 months whereas prior to 1 May 2026, the notice period was 2 months for this ground of possession.

In addition, under the protocol, the lender must consider whether to postpone the start of a possession claim where the borrower has made a genuine complaint to the Ombudsman about the potential possession claim.

There can be no assurance that any delay in starting and/or completing repossession actions would not result in the amounts recovered being less than if the LLP did not allow any such delays (which may ultimately affect the ability of the LLP to make payments of interest and principal on the Covered Bonds when Due for Payment). The protocol, the Repossession Acts and MCOB requirements for mortgage possession cases may have adverse effects in markets experiencing above average levels of possession claims.

Financial Ombudsman Service

Under the FSMA, the Ombudsman is required to make decisions on, among other things, complaints relating to activities and transactions under its jurisdiction on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all circumstances of the case, taking into account, among other things, law and guidance, rather than strictly on the basis of compliance with law.

Complaints brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. As the Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a money award to a complaining borrower, it is not possible to predict how any future decision of the Ombudsman would affect the ability of the LLP to make payments of amounts due to Covered Bondholders.

The Renting Homes (Wales) Act 2016

The Renting Homes (Wales) Act 2016 (the **Renting Homes Act**) received royal assent on 18 January 2016 and fully entered into force on 1 December 2022. The Renting Homes Act converts the majority of existing residential tenancies in Wales into an occupation contract' with retrospective effect. Subject to certain criteria being met, residential lettings and tenancies granted on or after 1 December 2022 will be 'occupation contracts'.

Under the Renting Homes Act, a landlord must, within the requisite time period set out in the act, serve a written statement on the tenant of an occupation contract which sets out certain terms of the occupation contract which are specified in the Act.

Where a tenant has breached the occupation contract the minimum notice that must be given to the tenant by the landlord of termination of the contract is one month. The notice period can be shorter where it relates to acts of anti-social behaviour or serious rent arrears. Where a 'no fault' notice is issued, the minimum notice that must be given to a tenant is six months.

The Renting Homes Act (which only has effect in Wales) does not contain an equivalent mandatory ground for possession that a lender had under the Housing Act 1988 where a property was subject to a mortgage granted before the beginning of the tenancy and the lender required possession in order to dispose of the property with vacant possession.

The Renting Homes Act may result in lower recoveries in relation to buy-to-let mortgage loans over Properties in Wales and this may reduce the amounts available to meet the payments due in respect of the Covered Bonds.

Scottish Loans

The Scottish Loans are secured over the relevant Properties by way of standard security (the equivalent to a legal charge in England and Wales), being the only means of creating a fixed charge or security over heritable or long leasehold property (i.e. land and buildings thereon) in Scotland. The beneficial interest in the Scottish Loans (together with the security thereof) will be transferred to the Issuer pursuant to each Scottish Declaration of Trust. In respect of Scottish Loans, references herein to a "mortgage" and a "mortgagee" are to be read as references to such a standard security and the heritable creditor thereunder, respectively.

A statutory set of "Standard Conditions" is automatically imported into all standard securities although the majority of these conditions may be varied by agreement between the parties. Most lenders in the residential mortgage market vary the Standard Conditions by a "Deed of Variations", the terms of which are in turn imported into each standard security.

The main provisions of the Standard Conditions which cannot be varied by agreement relate to enforcement. The enforcement of standard securities is principally governed by the Conveyancing and Feudal Reform (Scotland) Act 1970 (the 1970 Act) as amended by the Home Owner & Debtor Protection (Scotland) Act 2010 (the 2010 Act), which was passed by the Scottish Parliament and the relevant provisions of which came into effect on 30 September 2010. Whilst, as in England and Wales, it is in principle possible for a lender to enforce without making application to the court if the borrower voluntarily vacates the property, the statutory requirements imposed on the lender in such cases are onerous and as a consequence court proceedings are in practice almost invariably required.

As a preliminary step the lender must in all cases serve a "calling up notice" requiring repayment of the principal debt and all interest due, with which the borrower has two months to comply. Once the two months' notice has expired without payment the lender may apply to the court for a decree against the borrower enabling the lender to exercise the relevant enforcement remedies, being principally the sale of the property or entering into possession.

Court application can only be made when certain pre-action requirements imposed by the 2010 Act have been met. These requirements are similar to those of the Pre-action Protocol applicable in England and Wales (see the paragraph Pre-action Protocol for mortgage repossession cases above) and require the lender to provide the borrower with various information and to make reasonable efforts to agree repayment proposals with the borrower. In particular, a court application cannot proceed whilst the borrower is taking steps which are likely to result in repayment of the debt within a reasonable time. The court will not grant decree unless satisfied that the lender has complied with the pre-action requirements and that it is reasonable in the circumstances to do so (and the 2010 Act specifies various factors to be taken into account by the court in assessing reasonableness in this context).

A key difference between the Scottish and English provisions is that in Scotland the lender's application may be contested by an "Entitled Resident" as well as by, and on the same grounds as, the borrower. The definition of "Entitled Resident" is complex but essentially includes anyone resident in the secured property who is or has been a spouse, civil partner or co-habitant of the borrower (but does not include tenants or members of the borrower's family).

The court decree, once granted, entitles the lender if necessary to evict the borrower and to proceed either to sell the property or itself take possession of it. Sale may be by private bargain or public

auction and the lender is under a duty to advertise the sale and to take steps to ensure that the sale price is the best which can reasonably be obtained.

The requirements imposed by the 1970 Act, as amended by the 2010 Act, may restrict the ability of the Seller as heritable creditor of the Scottish Mortgages to exercise its enforcement remedies.

Private Housing (Tenancies) (Scotland) Act 2016

From 1 December 2017, The Private Housing (Tenancies) (Scotland) Act 2016 (the **2016 Act**) replaced short assured tenancies in Scotland with a new form of tenancy known as a private residential tenancy which. This is intended (except in a limited number of exceptions) to provide the tenant with security of tenure by restricting a landlord's ability to regain possession of the property to a number of specific eviction grounds. Accordingly, a lender may not be able to obtain vacant possession if it wishes to enforce its security unless one of the specific eviction grounds applies. However, one of the grounds on which an eviction order can be sought is that a lender intends to sell the property and requires the tenant to leave the property in order to dispose of it with vacant possession.

Land Registration Reform in Scotland

The Land Registration etc. (Scotland) Act 2012 (the **2012 Act**) received Royal Assent on 10 July 2012 and the majority of its provisions came into force in Scotland on 8 December 2014. One of the policy aims of the 2012 Act is to encourage the transfer of property titles recorded in the historic General Register of Sasines to the more recently established Land Register of Scotland with the aim of eventually closing the General Register of Sasines.

Title to a residential property that is recorded in the General Register of Sasines is required to be moved to the Land Register of Scotland (a process known as "first registration") when that property is sold or if the owner decides voluntarily to commence first registration. First registration will also be triggered where an application is made to record a standard security over a property recorded in the General Register of Sasines. This would include any standard security granted by the LLP in favour of the Security Trustee over Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Deed of Charge following a transfer to the LLP of legal title to the Scottish Loans and their Related Security pursuant to the Mortgage Sale Agreement following a Perfection Event (a **Scottish Sasine Sub-Security**). A first registration triggered by a Scottish Sasine Sub-Security will likely result in higher legal costs and a longer period required to complete registration than would previously have been the case, which could reduce the amounts available to the Issuer to make payments under the Covered Bonds.

Whilst the prolonged registration process is likely to be of practical inconvenience to the Security Trustee and the Covered Bondholders the validity and effectiveness of any Scottish Sasine Sub-Security would be unaffected by the change to the registration system (and the relevant Scottish Mortgages would in any event continue to be covered by the floating charge granted by the LLP under the Deed of Charge). The proportion of property titles in Scotland which remain recorded in the General Register of Sasines is declining and, given the overall number of Scottish Mortgages in the Portfolio, it is likely that such provisions would impact only a minority of the Mortgages in the Portfolio. The parties involved may still encounter increased legal and other third-party costs relating to the first registration process and additional administrative burden.

Mortgage Charter

On 26 June 2023, the HM Treasury published the 'Mortgage Charter' in light of the current pressures on households following interest rate rises and the cost-of-living crisis. The Mortgage Charter states that the UK's largest mortgage lenders and the FCA have agreed with the Chancellor a set of

standards that they will adopt when helping their regulated mortgage borrowers worried about high interest rates (the Mortgage Charter). Natwest is a signatory to the Mortgage Charter and have agreed that, among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment. In addition, lenders will permit borrowers who are up to date with their payments to: (i) switch to interest-only payments for six months (the MC Interest-only Agreement); or (ii) extend their mortgage term to reduce their monthly payments and give borrowers the option to revert to their original term within six months by contacting their lender (the MC Extension Agreement). These options can be taken by borrowers who are up to date with their payments without a new affordability check or affecting their credit score. The Mortgage Charter commitments do not apply to buy-to-let mortgages.

The FCA confirmed in a letter to Government on 9 December 2025 that they consider the Government can now safely retire the Mortgage Charter to reduce duplication and reporting.

THE PORTFOLIO

Each Portfolio acquired by the LLP consists (or will consist) of Loans and their Related Security sold by the Seller to the LLP from time to time in accordance with the terms of the Mortgage Sale Agreement, as more fully described under the section of this Prospectus entitled "*Summary of the Principal Documents – Mortgage Sale Agreement*".

For the purposes of this Prospectus:

Initial Portfolio means the portfolio of Loans and their Related Security, particulars of which were delivered on the First Transfer Date pursuant to the Mortgage Sale Agreements in place at the time (other than any Loans and their Related Security which have been redeemed in full prior to the First Transfer Date), and included all right, title, interest and benefit of either RBS or NWHL, as applicable in and to:

(a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest, Capitalised Interest and Capitalised Expenses) and other sums due or to become due in respect of such Loans and Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on all covenants and any undertakings made or expressed to be made in favour of either RBS or NWHL, as applicable, under the applicable Mortgage Conditions;

(b) subject where applicable to the subsisting rights of redemption of Borrowers, all Deeds of Consent, Deeds of Postponement, MH/CP Documentation or any collateral security for the repayment of the relevant Loans;

(c) the right to exercise all the powers of either RBS or NWHL, as applicable in relation thereto;

(d) all the estate and interest in the Properties vested in either RBS or NWHL, as applicable; and

(e) to the extent they are assignable, each Certificate of Title and Valuation Report (in each case where available) and any right of action of either RBS or NWHL, as applicable, against any solicitor, licensed conveyancer, qualified conveyancer, valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with such Loans and Related Security, or any part thereof or affecting the decision of either RBS or NWHL, as applicable, to make or offer to make any such Loan or part thereof.

On 1 November 2012, NWHL novated its role as seller under the Mortgage Sale Agreement to NatWest and legal title to the loans which had been sold by NWHL was transferred to NatWest. As of the date of this Prospectus, there are no longer any Loans in the Portfolio which have been sold by RBS.

New Portfolio means, in each case, the portfolio of New Loans and their Related Security (other than any New Loans and their Related Security which have been redeemed in full prior to the relevant Transfer Date or which do not otherwise comply with the terms of the Mortgage Sale Agreement as at the relevant Transfer Date), particulars of which are set out in the relevant New Portfolio Notice or in a document stored upon electronic media (including, but not limited to, a CD-ROM), and including all right, title, interest and benefit of the Seller in and to the rights and assets set out in paragraphs (a) to (d) above in relation to such New Loans and their Related Security.

See also the following risk factors under the section of this Prospectus entitled "*Risk Factors – Limited description of the Portfolio – Maintenance of Portfolio – Changes to the Lending Criteria of the Seller*".

DESCRIPTION OF THE UK REGULATED COVERED BOND REGIME

The Regulated Covered Bonds Regulations 2008 (SI 2008/346) as amended by the Regulated Covered Bonds (Amendment) Regulations 2008 (SI 2008/1714), as amended by the Regulated Covered Bonds (Amendment) Regulations 2011 (SI 2011/No 2859), as amended by the Regulated Covered Bonds (Amendment) Regulations 2012 (SI 2012/No. 2977) and as further amended from time to time(the **RCB Regulations**) and the corresponding implementation provisions, set out in the Regulated Covered Bonds Sourcebook published under the FSMA (the **RCB Sourcebook**), came into force in the United Kingdom on 6 March 2008. In summary, the RCB Regulations implement a legislative framework for UK covered bonds.

Supervision and registration

The FCA performs certain supervision and enforcement-related tasks in respect of the new regime, including admitting issuers and covered bonds to the relevant registers and monitoring compliance with on-going requirements. To assist it with these tasks, the FCA has certain powers under the RCB Regulations. In particular, in certain circumstances it may direct the winding-up of an owner, remove an issuer from the register of issuers and/or impose a financial penalty of such amount as it considers appropriate in respect of an issuer or owner and direct an issuer to publish information given to the FCA under the RCB Regulations. Moreover, as a body which regulates the financial services industry in the United Kingdom, the FCA may take certain actions in respect of issuers using its general powers under the UK regulatory regime (including restricting an issuer's ability to transfer further assets to the asset pool).

RBS was admitted to the register of issuers and the Programme was admitted to the register of regulated covered bonds under the RCB Regulations on 1 April 2010. National Westminster Bank Plc as the Issuer was admitted to the register of issuers on 26 June 2017.

Requirements under the legislative framework

The RCB Regulations and the RCB Sourcebook include various requirements related to registered issuers, asset pool owners, pool assets and the contractual arrangements made in respect of such assets. In this regard, issuers and owners have various initial and on-going obligations under the RCB Regulations and the RCB Sourcebook and are responsible for ensuring they comply with them. In particular, issuers are required to (among other things) enter into arrangements with the owner for the maintenance and administration of the asset pool such that certain asset record-keeping obligations and asset capability and quality-related requirements are met and notify the FCA of various matters (including any regulated covered bonds it issues, the assets in the asset pool, matters related to its compliance with certain regulations and any proposed material changes). Owners are required to (among other things) notify the FCA of various matters (including any proposed transfer of ownership of the asset pool) and, on insolvency of the issuer, make arrangements for the maintenance and administration of the asset pool (similar to the issuer obligations described above).

The UK authorities undertook a review of the UK legislative framework in 2011 and certain changes were made to the regime with the intention of enhancing the attractiveness of UK regulated covered bonds to investors. These changes took effect from 1 January 2013 and include the following:

- *Single asset pool designation* – issuers are required to designate their programme as being a single asset pool (consisting of either class one assets – public sector debt, class two assets – residential mortgage loans, or class three assets – commercial loans and, in each case, certain liquid assets) or a mixed asset pool (consisting of all eligible property for the purposes of the RCB Regulations). The Issuer has provided the necessary certifications for the Programme to be registered as a single asset pool programme, falling into class two. As a result, the

Asset Pool will consist solely of residential mortgage loans and certain liquid assets, being UK government securities and cash deposits all of which comply with section 2 of the RCB Regulations. To be clear, and in keeping with the new requirements under the RCB Regulations, the Asset Pool will not include any asset-backed securities.

- *Fixed minimum over-collateralisation requirement for principal and fixed minimum coverage requirement for interest* – under the new requirements, the total principal amount outstanding on the loans constituting eligible property in the asset pool is required to be more than the total principal amounts outstanding in relation to the regulated covered bonds by at least 8% and a minimum threshold applies in respect of interest amounts such that the total amount of interest payable in the period of twelve (12) months following any given date in respect of the eligible property in the asset pool is required to be not less than the interest which would be payable in relation to the regulated covered bonds in that period. For the purposes of calculating each of these tests, the issuer can take into account certain liquid assets up to a maximum of 8% of those covered bonds that have a maturity date of more than one year and 100% of those covered bonds that have a maturity date of one (1) year or less.

- *Investor reporting, including loan-level data* – new investor reporting requirements apply. In particular, issuers are required to make available detailed loan-level information relating to the cover pool following an issuance of regulated covered bonds after 1 January 2013. Issuers are also required to publish certain transactions documents relating to the programme. The information to be published by the Issuer can be found at https://investors.natwestgroup.com/fixed-income-investors/covered-bonds and/or in the Investor Reports (or on a separate website established for such purposes and accessible via a web-link set out in such Investor Reports). The information set out on the website and the contents therefore do not form part of this Prospectus.

- *Asset pool monitor role* – new requirements have been introduced to formalise the role of the asset monitor. Under the new provisions, an asset pool monitor is required, on an annual basis, to inspect and assess the issuer's compliance with certain principles-based requirements under the regime and to report on their findings (with additional reporting requirements in the case of issuer non-compliance). Each issuer was required to appoint an asset pool monitor in advance of their annual confirmation of such requirement falling on or after 1 January 2013. The Issuer has appointed the Asset Monitor to undertake this role pursuant to the terms of the Asset Monitor Agreement.

- Under the RCB Regulations, an issuer may be removed from the register of issuers in certain limited circumstances but the FCA is restricted from removing a regulated covered bond from the register of regulated covered bonds before the expiry of the whole period of validity of the relevant bond.

See also the section of this Prospectus entitled "*Risk Factors – UK regulated covered bond regime*" above.

See also the sections of this Prospectus entitled "*Risk Factors – UK regulated covered bond regime*" and "*Risk Factors – Expenses of insolvency officeholders*" above.

DESCRIPTION OF LIMITED LIABILITY PARTNERSHIPS

Since 6 April 2001 it has been possible to incorporate a limited liability partnership in England, Wales and Scotland (but not Northern Ireland) under the Limited Liability Partnerships Act 2000 (the **LLPA 2000**). Limited liability partnerships are legal entities that impose limited liability on the members, combined with the benefits of the flexibility afforded to partnerships generally and the legal personality afforded to companies.

Corporate characteristics

A limited liability partnership is more like a company than a traditional partnership. It is a body corporate with its own property and liabilities, separate from those of its members. Like shareholders in a limited company, the liability of the members of a limited liability partnership is limited to the amount of their capital contribution in the initial liability partnership because it is a distinct legal entity, and when the members decide to enter into a contract on behalf of a limited liability partnership they bind the limited liability partnership in the same way that directors bind a company. Members may be liable for their own negligence and other torts or delicts, like company directors, if they have assumed a personal duty of care and have acted in breach of that duty. Third parties are entitled to assume that members, like company directors, are authorised to act on behalf of the limited liability partnership.

The provisions of the Companies Act 2006 and the Insolvency Act 1986 have been modified by the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009 and the Limited Liability Partnerships Regulations 2001 (as amended from time to time) so as to apply most of the insolvency and winding-up procedures for companies equally to a limited liability partnership and its members. As a distinct legal entity a limited liability partnership can grant fixed and floating security over its assets and a limited liability partnership will survive the insolvency of any of its members. An administrator or liquidator of an insolvent member would be subject to the terms of the members' agreement relating to the limited liability partnership but a liquidator of an insolvent member may not take part in the administration of the limited liability partnership or its business.

Limited liability partnerships must file annual returns and audited annual accounts at Companies House for each financial year in the same way as companies.

Partnership characteristics

A limited liability partnership retains certain characteristics of traditional partnership. It has no share capital and there are no capital maintenance requirements. The members are free to agree how to share profits, who is responsible for management and how decisions are made, when and how new members are appointed and the circumstances in which its members retire. The members' agreement is a private document and there is no obligation to file it at Companies House.

Taxation

A limited liability partnership which carries on a trade or business with a view to profit (and which is not the subject of certain insolvency proceedings) is, generally speaking, treated as a partnership for corporation tax purposes. As such, the members of a limited liability partnership, and not the limited liability partnership itself, are subject to corporation tax in relation to the business of the limited liability partnership in broadly the same way that the members of a traditional partnership are subject to corporation tax in relation to the business of that partnership.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the LLP believe to be reliable, but none of the Issuer, the LLP, the Bond Trustee and any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the LLP and any other party to the Agency Agreement 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 Covered Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerised book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of DTC Covered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Covered Bonds on DTC's records. The ownership interest of each actual purchaser of each Covered Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Covered Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Direct and Indirect Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Covered Bonds, except in the event that use of the book-entry system for the DTC Covered Bonds is discontinued.

To facilitate subsequent transfers, all DTC Covered Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as

may be requested by an authorised representative of DTC. The deposit of DTC Covered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Covered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Covered Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Covered Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Covered Bonds unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co's consenting or voting rights to those Direct Participants to whose accounts the DTC Covered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Covered Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Principal Paying Agent, on the payable date, in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participant and not of DTC, the Principal Paying Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorised representative of DTC) is the responsibility of the Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Covered Bonds for Registered Definitive Covered Bonds, which it will distribute to its participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Covered Bond, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may act on behalf only of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Covered Bonds to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Covered Bonds, will be required to withdraw its Registered Covered Bonds from DTC as described below.

DTC may discontinue providing its services as depository with respect to the DTC Covered Bonds at any time by giving reasonable notice to the Issuer or the Principal Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Covered Bonds certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Covered Bonds certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Book-entry Ownership of and Payments in respect of DTC Covered Bonds

The Issuer may apply to DTC in order to have any Tranche of Covered Bonds represented by a Registered Global Covered Bond accepted in its book-entry settlement system. Upon the issue of any such Registered Global Covered Bond, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Covered Bond to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Covered Bond will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Covered Bond, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Covered Bond accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. Dollars of principal and interest in respect of a Registered Global Covered Bond accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Covered Bond. In the case of any payment in a currency other than U.S. Dollars, payment will be made to the exchange agent on behalf of DTC or its nominee and the exchange agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Covered Bond in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. Dollars and credited to the applicable participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by participants to beneficial owners of Covered Bonds will be governed by standing instructions and

customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such participant and not the responsibility of DTC, the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Covered Bonds to DTC is the responsibility of the Issuer.

Transfers of Covered Bonds Represented by Registered Global Covered Bonds

Transfers of any interests in Covered Bonds represented by a Registered Global Covered Bond within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the U.S. 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 act on behalf only 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. The ability of any holder of Covered Bonds represented by a Registered Global Covered Bond accepted by DTC to resell, pledge or otherwise transfer such Covered Bonds may be impaired if the proposed transferee of such Covered Bonds is not eligible to hold such Covered Bonds through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Covered Bonds described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian with whom the relevant Registered Global Covered Bonds have been deposited.

On or after the Issue Date for any Series, transfers of Covered Bonds of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Covered Bonds of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Covered Bonds will be effected through the Registrar, the Principal Paying Agent and the custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Covered Bonds among participants and accountholders of DTC, Clearstream, Luxembourg, and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Bond Trustee, the Security Trustee, the Issuer, the LLP, the Agents and any Dealer will be responsible for any performance by Clearstream,

Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Covered Bonds represented by Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

United Kingdom Taxation

The following is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue & Customs' practice relating only to United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) by the Issuer in respect of Covered Bonds and payments by the LLP in respect of Covered Bonds. It assumes that the Finance (No.2) Bill 2025-2026, as ordered to be printed on 4 December 2025, will be enacted without amendment. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Covered Bonds. The United Kingdom tax treatment of prospective holders of Covered Bonds depends on their individual circumstances and may be subject to change in the future. Prospective holders of Covered Bonds who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Payment of interest by the Issuer in respect of the Covered Bonds

The Issuer will be entitled to make payments of interest on the Covered Bonds without deduction of or withholding on account of United Kingdom income tax, provided that:

(a) the Issuer is and continues to be a bank within the meaning of Section 991 of the Income Tax Act 2007 (**ITA 2007**); and

(b) the interest on the Covered Bonds is and continues to be paid in the ordinary course of the Issuer's business within the meaning of Section 878 ITA 2007.

Payment of interest on the Covered Bonds may be paid without withholding or deduction for or on account of United Kingdom tax provided that the Covered Bonds carry a right to interest and the Covered Bonds are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the ITA 2007. The London Stock Exchange is a recognised stock exchange for this purpose. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Covered Bonds carry a right to interest and are and remain so listed, interest on the Covered Bonds will be payable without withholding or deduction for or on account of United Kingdom income tax whether or not the Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

Interest on the Covered Bonds may also be paid without withholding or deduction on account of United Kingdom income tax where the maturity of the Covered Bonds is less than 365 days and those Covered Bonds do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Covered Bonds that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20%), subject to the availability of other exemptions and reliefs. From April 2027, provisions in the Finance Bill 2026, first published on 4 December 2025, provide that the rate of withholding will be equal to a new savings basic rate of income tax of 22%. However, where an applicable double tax treaty provides for no tax to be withheld (or a lower rate of withholding tax) in relation to a holder of Covered Bonds, HMRC can issue a notice to the Issuer to pay interest to the Covered Bondholder without withholding or deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Payments by the LLP

The United Kingdom withholding tax treatment of payments by the LLP under the terms of the Covered Bond Guarantee which have a United Kingdom source is uncertain. In particular, such payments by the LLP may not be eligible for the exemptions described above in relation to payments of interest. Accordingly, if the LLP makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate. If payments by the LLP are subject to any withholding or deduction for or on account of tax, the LLP will not be required to pay such additional amounts.

United States Federal Income Taxation

The following overview discusses the principal U.S. federal income tax consequences of the ownership and disposition **of the Covered Bonds**. **Except as specifically noted below, this discussion applies only to:**

- Covered Bonds purchased on original issuance at their "issue price" (as defined below); and
- Covered Bonds held as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**").

This discussion does not describe all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Covered Bonds by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not address the U.S. federal estate and gift tax, alternative minimum tax, or Medicare tax consequences of the acquisition, ownership or disposition of the Covered Bonds. This summary does not discuss all of the tax considerations that may be relevant in light of a holder's particular circumstances or to holders subject to special rules, such as:

- financial institutions;
- insurance companies;
- real estate investment trusts;
- regulated investment companies;
- grantor trusts;
- dealers in securities or foreign currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons holding Covered Bonds as part of a hedging transaction, "straddle," conversion transaction or other integrated transaction;
- accrual basis taxpayers that file applicable financial statements (as described in Section 451(b) of the Code);
- U.S. holders whose functional currency is not the U.S. dollar;
- U.S. expatriates;

- Individual retirement accounts and other tax deferred accounts;
- tax exempt entities;
- persons that own, or are deemed to own, 10% or more of any class of the Issuer's stock; or
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes, and persons holding Covered Bonds through such entities.

This overview is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury regulations, changes to any of which subsequent to the date of this Prospectus may affect the tax consequences described below. Persons considering the purchase of the Covered Bonds should consult the applicable Final Terms for any additional discussion regarding U.S. federal income taxation and should consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

As used herein, the term "**U.S. holder**" means a beneficial owner of a Covered Bond that is for United States federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organized in or under the laws of the United States or of any political subdivision thereof; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

A "**Non U.S. holder**" is a beneficial owner of Covered Bonds that is not a U.S. holder and that is not an entity classified as a partnership for U.S. federal income tax purposes.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Covered Bonds, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of partnerships holding Covered Bonds should consult with their tax advisors.

This overview does not discuss Bearer Covered Bonds. In general, U.S. federal income tax law imposes significant limitations on U.S. holders of Bearer Covered Bonds. U.S. holders should consult their tax advisors regarding the U.S. federal income and other tax consequences of the acquisition, ownership and disposition of Bearer Covered Bonds.

Taxation of U.S. Holders

Payments of Stated Interest

Interest paid on a Covered Bond will be taxable to a U.S. holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes, provided that the interest is "qualified stated interest" (as defined below). Interest income earned by a U.S. holder with respect to a Covered Bond will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the U.S. holder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and final U.S. Treasury regulations have imposed additional requirements that must be met for a foreign tax to be creditable. However, recent notices from the U.S. Internal Revenue Service ("**IRS**") provide taxpayers, subject to certain conditions, with temporary relief from some of these additional

requirements until further notice or guidance is issued by the IRS. Prospective investors should consult their tax advisors about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to original issue discount Covered Bonds, exchangeable Covered Bonds and foreign currency Covered Bonds are described under " – *Original Issue Discount*", "*Contingent Payment Debt Instruments*", and "*Foreign Currency Covered Bonds*".

Original Issue Discount

A Covered Bond that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued at an original issue discount for U.S. federal income tax purposes (and will be referred to as an "**original issue discount Covered Bond**") unless the Covered Bond satisfies a de *minimis* threshold (as described below) or is a short-term Covered Bond (as defined below). The "**issue price**" of a Covered Bond generally will be the first price at which a substantial amount of the Covered Bonds are sold to persons (which does not include sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The "**stated redemption price at maturity**" of a Covered Bond generally will equal the sum of all payments required to be made under the Covered Bond other than payments of "qualified stated interest". "**Qualified stated interest**" is stated interest unconditionally payable (other than in debt instruments of the issuer) at least annually during the entire term of the Covered Bond and equal to the outstanding principal balance of the Covered Bond multiplied by a single fixed rate of interest. In addition, qualified stated interest includes, among other things, stated interest on a "variable rate debt instrument" that is unconditionally payable (other than in debt instruments of the issuer) at least annually at a single qualified floating rate of interest or at a rate that is determined at a single fixed formula that is based on objective financial or economic information. A rate is a qualified floating rate if variations in the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Covered Bond is denominated.

If the difference between a Covered Bond's stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., 1/4 of 1 per cent of the stated redemption price at maturity multiplied by the number of complete years to maturity, the Covered Bond will not be considered to have original issue discount. U.S. holders of Covered Bonds with a *de minimis* amount of original issue discount will include this original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Covered Bond.

A U.S. holder of original issue discount Covered Bonds will be required to include any qualified stated interest payments in income in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes. U.S. holders of original issue discount Covered Bonds that mature more than one year from their date of issuance will be required to include original issue discount in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received.

A U.S. holder may make an election to include in gross income all interest that accrues on any Covered Bond (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest (a "**constant yield election**"), and may revoke such election only with the permission of the IRS.

A Covered Bond that matures one year or less from its date of issuance (a "**short-term Covered Bond**") will be treated as being issued at a discount and none of the interest paid on the Covered Bond will be treated as qualified stated interest. In general, a cash method U.S. holder of a short-term Covered Bond is not required to accrue the discount for U.S. federal income tax purposes unless it

elects to do so. U.S. holders who so elect and certain other U.S. holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. holder who is not required and who does not elect to include the discount in income currently, any gain realized on the sale, exchange, or retirement of the short-term Covered Bond will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Covered Bonds in an amount not exceeding the accrued discount until the accrued discount is included in income.

The Issuer may have an unconditional option to redeem, or U.S. holders may have an unconditional option to require the Issuer to redeem, a Covered Bond prior to its stated maturity date. Under applicable regulations, if the Issuer has an unconditional option to redeem a Covered Bond prior to its stated maturity date, this option will be presumed to be exercised if, by utilizing any date on which the Covered Bond may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Covered Bond as the stated redemption price at maturity, the yield on the Covered Bond would be lower than its yield to maturity. If the U.S. holders have an unconditional option to require the Issuer to redeem a Covered Bond prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Covered Bond would be higher than its yield to maturity. If this option is not in fact exercised, the Covered Bond would be treated solely for purposes of calculating original issue discount as if it were redeemed, and a new Covered Bond were issued, on the presumed exercise date for an amount equal to the Covered Bond's adjusted issue price on that date. The adjusted issue price of an original issue discount Covered Bond is defined as the sum of the issue price of the Covered Bond and the aggregate amount of previously accrued original issue discount, less any prior payments other than payments of qualified stated interest.

Market Discount

If a U.S. holder purchases a Covered Bond (other than a short-term Covered Bond) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount Covered Bond, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. holder will be required to treat any principal payment (or, in the case of an original issue discount Covered Bond, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Covered Bond, including disposition in certain nonrecognition transactions, as ordinary income to the extent of the market discount accrued on the Covered Bond at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. holder pursuant to an election by the U.S. holder to include market discount in income as it accrues. This election will result in a deemed election for all market discount bonds acquired by the U.S. holder on or after the first day of the first taxable year to which such election applies and may not be revoked without the consent of the IRS. A U.S. holder of a Covered Bond with market discount that does not elect to include market discount in income currently will generally be required to defer, until the maturity of the Covered Bond or its earlier disposition (including certain nontaxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Covered Bond.

Market discount will accrue on a straight-line basis unless the U.S. holder elects to accrue the market discount on a constant-yield method. If a U.S. holder makes a constant yield election (as described under "*Taxation – United States Federal Income Taxation – Original Issue Discount*") for a Covered

Bond with market discount, such election will apply only to the Covered Bond with respect to which it is made and will be irrevocable.

Acquisition Premium and Amortizable Bond Premium

A U.S. holder who purchases a Covered Bond for an amount that is greater than the Covered Bond's adjusted issue price but less than or equal to the sum of all amounts payable on the Covered Bond after the purchase date other than payments of qualified stated interest will be considered to have purchased the Covered Bond at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the U.S. holder must include in its gross income with respect to the Covered Bond for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. holder purchases a Covered Bond for an amount in excess of the sum of all amounts payable on the Covered Bonds after the purchase date, other than qualified stated interest, the U.S. holder will be considered to have purchased the Covered Bond with amortizable bond premium equal in an amount to the excess of the purchase price over the amount payable at maturity. The U.S. holder may elect to amortize this premium, using a constant yield method, over the remaining term of the Covered Bond (where the Covered Bond is not optionally redeemable prior to its maturity date). If the Covered Bond may be optionally redeemed prior to maturity after the holder has acquired it, the amount of amortizable bond premium is determined by substituting the call date for the maturity date and the call price for the amount payable at maturity only if the substitution results in a smaller amount of premium attributable to the period before the redemption date. A U.S. holder who elects to amortize bond premium must reduce its tax basis in the Covered Bond by the amount of the premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. holder and may be revoked only with the consent of the IRS.

If a U.S. holder makes a constant yield election (as described under "*Taxation – United States Federal Income Taxation – Taxation of Non-U.S. Holders – Original Issue Discount*") for a Covered Bond with amortizable bond premium, such election will result in a deemed election to amortize bond premium for all of the holder's debt instruments with amortizable bond premium.

Sale, Exchange or Retirement of the Covered Bonds

Upon the sale, exchange or retirement of a Covered Bond, a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. holder's adjusted tax basis in the Covered Bond. A U.S. holder's adjusted tax basis in a Covered Bond generally will equal the acquisition cost of the Covered Bond increased by the amount of original issue discount and market discount included in the U.S. holder's gross income and decreased by the amount of any payments received from the Issuer other than a payment of qualified stated interest, and the amount of any amortizable bond premium applied to reduce interest on the Covered Bond. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. holder's foreign tax credit limitation. For these purposes, the amount realized does not include any amount attributable to accrued but unpaid interest on the Covered Bond. Amounts attributable to accrued but unpaid interest are treated as interest as described under "*Taxation – United States Federal Income Taxation – Taxation of U.S. Holders – Payments of Stated Interest*".

Except as described below, gain or loss realized on the sale, exchange or retirement of a Covered Bond will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the Covered Bond has been held for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term Covered Bond, to the extent of any accrued discount not previously included in the U.S. holder's taxable income. See "*Taxation – United States Federal Income Taxation – Taxation of Non-U.S.*

Holders – Original Issue Discount" and "– *Market Discount*". In addition, other exceptions to this general rule apply in the case of foreign currency Covered Bonds, and contingent payment debt instruments. See " – *Original Issue Discount*" and "– *Contingent Payment Debt Instruments*".

Contingent Payment Debt Instruments

If the terms of the Covered Bonds provide for certain contingencies that affect the timing and amount of payments (including Covered Bonds with a variable rate or rates that do not qualify as "variable rate debt instruments" for purposes of the original issue discount rules) they will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Covered Bonds qualifies as qualified stated interest. Rather, a U.S. holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Covered Bond and the Covered Bond's "projected payment schedule" as described below. The comparable yield is determined by the Issuer at the time of issuance of the Covered Bonds. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Covered Bonds. Solely for the purpose of determining the amount of interest income that a U.S. holder will be required to accrue on a contingent payment debt instrument, the Issuer will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield.

Neither the comparable yield nor the projected payment schedule constitutes a representation by the Issuer regarding the actual amount, if any, that the contingent payment debt instrument will pay.

For U.S. federal income tax purposes, a U.S. holder will be required to use the comparable yield and the projected payment schedule established by the Issuer in determining interest accruals and adjustments in respect of a Covered Bond treated as a contingent payment debt instrument, unless the U.S. holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. holder, regardless of the U.S. holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. holder will be required to recognize interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a U.S. holder would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:
- the amount of all previous interest inclusions under the contingent payment debt instrument over
- the total amount of the U.S. holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realized on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange or retirement of a contingent payment debt instrument, a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the holder's adjusted basis in the contingent payment debt instrument. A U.S. holder's adjusted basis in a Covered Bond that is a contingent payment debt instrument generally will be the acquisition cost of the Covered Bond, increased by the interest previously accrued by the U.S. holder on the Covered Bond under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any noncontingent payments and the projected amount of any contingent payments previously made on the Covered Bond. A U.S. holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a holder recognizes loss above certain thresholds, the holder may be required to file a disclosure statement with the IRS (as described under " *Reportable Transactions*").

A U.S. holder will have a tax basis in any property, other than cash, received upon the retirement of a contingent payment debt instrument including in satisfaction of a conversion right or a call right equal to the fair market value of the property, determined at the time of retirement. The U.S. holder's holding period for the property will commence on the day immediately following its receipt.

Foreign Currency Covered Bonds

The following discussion summarizes the principal U.S. federal income tax consequences to a U.S. holder of the ownership and disposition of Covered Bonds that are denominated in a specified currency other than the U.S. dollar or the payments of interest or principal on which are payable in a currency other than the U.S. dollar ("**foreign currency Covered Bonds**").

The rules applicable to foreign currency Covered Bonds could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Covered Bond to be recharacterized as ordinary income or loss. The rules applicable to foreign currency Covered Bonds are complex and may depend on the U.S. holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. holder should make any of these elections may depend on the holder's particular U.S. federal income tax situation. U.S. holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Covered Bonds.

A U.S. holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Covered Bond will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at that time, and this U.S. dollar value will be the U.S. holder's tax basis in the foreign currency. A cash method U.S. holder who receives a payment of qualified stated interest in U.S. dollars pursuant to an option available under such foreign currency Covered Bond will be required to include the amount of this payment in income upon receipt.

An accrual method U.S. holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount, but reduced by acquisition premium and amortizable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Covered Bond during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. holder will recognize ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognized will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where a holder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue original issue discount or market discount.

An accrual method U.S. holder may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

Original issue discount, market discount, acquisition premium and amortizable bond premium on a foreign currency Covered Bond are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realized with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above.

If an election to amortize bond premium is made, amortizable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realized on amortized bond premium with respect to any period by treating the bond premium amortized in the period in the same manner as on the sale, exchange or retirement of the foreign currency Covered Bond. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realized on the sale, exchange or retirement of a foreign currency Covered Bond with amortizable bond premium by a U.S. holder who has not elected to amortize the premium will be a capital loss to the extent of the bond premium.

A U.S. holder's tax basis in a foreign currency Covered Bond, and the amount of any subsequent adjustment to the U.S. holder's tax basis, will be the U.S. dollar value amount of the foreign currency amount paid for such foreign currency Covered Bond, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. holder who purchases a foreign currency Covered Bond with previously owned foreign currency will recognize ordinary income or loss in an amount equal to the difference, if any, between such U.S. holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency Covered Bond on the date of purchase.

Gain or loss realized upon the sale, exchange or retirement of a foreign currency Covered Bond that is attributable to fluctuations in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. dollar value of the foreign currency principal

amount of the Covered Bond, determined on the date the payment is received or the Covered Bond is disposed of, and (ii) the U.S. dollar value of the foreign currency principal amount of the Covered Bond, determined on the date the U.S. holder acquired the Covered Bond. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Covered Bonds described above. The foreign currency gain or loss will be recognized only to the extent of the total gain or loss realized by the holder on the sale, exchange or retirement of the foreign currency Covered Bond. The source of the foreign currency gain or loss will be determined by reference to the residence of the holder or the "qualified business unit" of the holder on whose books the foreign currency Covered Bond is properly reflected. Any gain or loss realized by these holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or, in the case of a short-term foreign currency Covered Bond, to the extent of any discount not previously included in the U.S. holder's income. U.S. holders should consult their own tax advisor with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such foreign currency Covered Bond accrue.

A U.S. holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency Covered Bond equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash method taxpayer who buys or sells a foreign currency Covered Bond is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment for all purchases and sales of foreign currency obligations provided that the foreign currency Covered Bonds are traded on an established securities market. This election cannot be changed without the consent of the IRS. Any gain or loss realized by a U.S. holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency Covered Bonds) will be ordinary income or loss.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Covered Bonds and the proceeds from a sale or other disposition of the Covered Bonds. A U.S. holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle them to a refund, provided that the required information is furnished to the IRS.

Reportable Transactions

A U.S. taxpayer that participates in a "**reportable transaction**" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. holder may be required to treat a foreign currency exchange loss from the Covered Bonds as a reportable transaction if the loss exceeds U.S. $50,000 in a single taxable year if the U.S. holder is an individual or trust, or higher amounts for other U.S. holders. In the event the acquisition, ownership or disposition of Covered Bonds constitutes participation in a "**reportable transaction**" for purposes of these rules, a U.S. holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of Covered Bonds.

U.S. holders should consult their own tax advisors regarding any reporting requirements they may have as a result of their acquisition, ownership or disposition of Covered Bonds.

Foreign Financial Asset Reporting

Certain U.S. holders that own "specified foreign financial assets" that meet certain U.S. dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Covered Bonds generally will constitute specified foreign financial assets subject to these reporting requirements unless the Covered Bonds are held in an account at certain financial institutions. U.S. holders are urged to consult their tax advisors regarding the application of these disclosure requirements to their ownership of the Covered Bonds.

Substitution of Issuer

The terms of the Covered Bonds provide that, in certain circumstances, the obligations of the Issuer under the Covered Bonds may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Covered Bonds by a U.S. holder in exchange for new bonds issued by the new obligor. As a result of this deemed disposition, a U.S. holder could be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new bonds (as determined for U.S. federal income tax purposes), and the U.S. holder's tax basis in the Covered Bonds. U.S. holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Covered Bonds.

Base Rate Amendments

Pursuant to Condition 14(d) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) in the Terms and Conditions of the Covered Bonds, the Issuer may in certain circumstances implement a Base Rate Modification. It is possible that a Base Rate Modification will be treated as a deemed exchange of old Covered Bonds for new Covered Bonds, which may be a taxable event for U.S. holders. In addition, the potential for a Base Rate Modification may also affect the calculation of original issue discount. U.S. holders should consult with their own tax advisors regarding the potential consequences of a Base Rate Modification.

Taxation of Non-U.S. Holders

Subject to the backup withholding and Foreign Account Tax Compliance Act rules discussed below, Non-U.S. holders generally should not be subject to U.S. federal income or withholding tax on any payments on the Covered Bonds and gain from the sale, redemption or other disposition of the Covered Bonds unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. holder of a trade or business in the U.S.; (ii) in the case of any gain realized on the sale or exchange of a Covered Bond by an individual Non-U.S. holder, that holder is present in the U.S. for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met; or (iii) the Non-U.S. holder is subject to tax pursuant to provisions of the Code applicable to certain expatriates. Non-U.S. holders should consult their own tax advisors regarding the U.S. federal income and other tax consequences of owning Covered Bonds.

Backup Withholding and Information Reporting

Non U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of the information reporting requirements and backup withholding discussed above under "*Taxation of U.S. Holders – Backup Withholding and Information Reporting*".

Fungible Issue

The Issuer may, without the consent of the holders of outstanding Covered Bonds, issue additional Covered Bonds with identical terms. These additional Covered Bonds, even if they are treated for non-tax purposes as part of the same series as the original Covered Bonds, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Covered Bonds may be considered to have been issued with original issue discount even if the original Covered Bonds had no original issue discount, or the additional Covered Bonds may have a greater amount of original issue discount than the original Covered Bonds. These differences may affect the market value of the original Covered Bonds if the additional Covered Bonds are not otherwise distinguishable from the original Covered Bonds.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the Code, commonly known as **FATCA**, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA provisions and IGAs to instruments such as Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Covered Bonds, such withholding would not apply to foreign passthru payments prior to the date that is two (2) years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Additionally, Covered Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six (6) months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Covered Bonds (as described under "*Terms and Conditions of the Covered Bonds – Further Issues*") that are not distinguishable from previously issued Covered Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Covered Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of the withholding.

CERTAIN U.S. REGULATORY CONSIDERATIONS

INVESTMENT COMPANY ACT

The LLP has not registered, and the LLP believes it is not necessary to register, with the U.S. Securities and Exchange Commission as an investment company pursuant to the Investment Company Act in reliance on the exemptions afforded by Section 3(c)(5)(C) of the Investment Company Act, although other exemptions or exclusions may be applicable. The LLP has been structured with the intent that it does not constitute a "covered fund" for purposes of the Volcker Rule. Investors that are "banking entities" should carefully review the Volcker Rule and conduct their own analysis, in consultation with their legal advisers, to determine whether the LLP is a "covered fund" and whether the Covered Bonds constitute "ownership interests" for the purposes of the Volcker Rule. Each investor is responsible for analysing its own regulatory position as to the potential impact of the Volcker Rule, and none of the Issuer, the Arrangers nor the Dealers makes any representation to any prospective investor or purchaser of the Covered Bonds regarding the treatment of the LLP or the Covered Bonds under the Volcker Rule, or to such investor’s investment in the Covered Bonds at any time in the future.

CERTAIN ERISA CONSIDERATIONS

Unless otherwise provided in any supplement to this Prospectus, the Covered Bonds should be eligible for purchase by employee benefit plans and other plans subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and/or the provisions of Section 4975 of the Code and by governmental, church and non-U.S. plans that are subject to any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Similar Law**"), subject to consideration of the issues described in this section. ERISA imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under "*Risk Factors*".

Section 406 of ERISA and Section 4975 of the Code, prohibit certain transactions involving the assets of an ERISA Plan, as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities whose underlying assets include the assets of such plans (together with ERISA Plans, **Plans** or **Benefit Plan Investors**), and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code) having certain relationships to Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code, and the transaction may have to be rescinded.

The Issuer, the Guarantor, the Arranger, the Dealers or any other party to the transactions referred to in this Prospectus may be parties in interest or disqualified persons with respect to Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Covered Bonds are acquired or held by a Plan, including but not limited to where the Issuer, the Guarantor, the Arranger, the Dealers or any other party to such transactions is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any Covered Bonds and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan, provided that there is adequate consideration for the transaction), Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisors regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Covered Bonds.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, may nevertheless be subject to any federal, state, local, non-U.S. or other law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code (**Similar Law**). Fiduciaries of any such plans should consult with their counsel before purchasing the Covered Bonds to determine the need for, and, if necessary, the availability of, an exemption providing relief under any Similar Law.

In addition, the U.S. Department of Labor has promulgated a regulation, 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an equity interest of an entity (other than an instrument that is treated as indebtedness under applicable law and which has no substantial equity features) that is neither a publicly-offered security nor a security issued by an investment company registered under the United States Investment Company Act of 1940, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets (the "**Plan Asset Look Through Rule**"), unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in the form of debt may be considered an equity interest if it has substantial equity features. If the Issuer was deemed under the Plan Asset Regulation to hold plan assets by reason of a Plan's investment in any of the Covered Bonds, such plan assets would include an undivided interest in the assets held by the Issuer and transactions by the Issuer would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code. The Plan Asset Regulation provides, however, that if equity participation in any entity by "**Benefit Plan Investors**" is not significant, then the "look-through" rule will not apply to such entity. The term "Benefit Plan Investors" is defined in the Plan Asset Regulation to include (1) any "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (2) any "plan" (as defined in Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code, and (3) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity. Equity participation by Benefit Plan Investors in any entity is significant if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the total value of any class of equity interests in the entity (excluding the value of any interests held by certain persons, other than Benefit Plan Investors, having or exercising control over the assets of the entity or providing investment advice to the entity for a fee (direct or indirect) or any affiliates of such persons) is held by Benefit Plan Investors. If, as a result of any investment, 25% or more of the total value of any class of equity interests in the Issuer is being held by Benefit Plan Investors, the applicable Covered Bonds may be redeemed by the Issuer. While there is little pertinent authority regarding what constitutes debt under the Plan Asset Regulation in this area and no assurance can be given, the Issuer believes that the Covered Bonds should not be treated as equity interests for the purposes of the Plan Asset Regulation and regardless of the Covered Bonds treatment as either debt or equity under applicable law, the Covered Bonds should be treated as issued by an "operating company", therefore, the Plan Asset Regulation should not apply and any such redemptions would not be necessary.

Accordingly, except as otherwise provided in any supplement to this Prospectus, each purchaser subsequent and transferee of any Covered Bonds (or any interest therein) will be deemed to represent and warrant, on each day from the date on which the purchaser or transferee acquires such Covered Bonds (or any interest therein) through and including the date on which the purchaser or transferee disposes of such Covered Bonds (or its interests therein), either that (a) it is not, and is not acting on

behalf of, a Plan or a governmental, church or non-U.S. plan which is subject to any Similar Law or (b) its acquisition, holding and disposition of such Covered Bonds (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Law.

In addition, a purchaser or transferee that is, or is acting on behalf of, a Benefit Plan Investor, will be further deemed to represent, warrant and agree that (i) none of the Transaction Parties or any of their respective affiliates has provided any investment recommendation or investment advice to it, or any fiduciary or other person investing the assets of the Benefit Plan Investor ("**Plan Fiduciary**"), in connection with its decision to invest in the Covered Bonds, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Covered Bonds and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Covered Bonds.

Each Plan Fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold any of the Covered Bonds should determine whether, under the documents and instruments governing the Plan, an investment in such Covered Bonds is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in such Covered Bonds (including any governmental, church or non-U.S. plan) should consult with its counsel to confirm that such investment will not constitute or result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA and the Code (or, in the case of a governmental, church or non-U.S. plan, any Similar Law).

The sale of any Covered Bonds to a Plan is in no respect a representation by the Issuer, the LLP, the Bond Trustee, the Security Trustee, any Dealer or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Any further ERISA considerations with respect to the Covered Bonds may be found in the relevant supplement.

CERTAIN VOLCKER RULE CONSIDERATIONS

The LLP has not registered, and the LLP believes it is not necessary to register, with the U.S. Securities and Exchange Commission as an investment company pursuant to the Investment Company Act in reliance on the exemptions afforded by Section 3(c)(5)(C) of the Investment Company Act, although other exemptions or exclusions may be applicable. The LLP has been structured with the intent that it does not constitute a "covered fund" for purposes of the Volcker Rule. Investors that are "banking entities" should carefully review the Volcker Rule and conduct their own analysis, in consultation with their legal advisers, to determine whether the LLP is a "covered fund" and whether the Covered Bonds constitute "ownership interests" for the purposes of the Volcker Rule. Each investor is responsible for analysing its own regulatory position as to the potential impact of the Volcker Rule, and none of the Issuer, the Arrangers nor the Dealers makes any representation to any prospective investor or purchaser of the Covered Bonds regarding the treatment of the LLP or the Covered Bonds under the Volcker Rule, or to such investor’s investment in the Covered Bonds at any time in the future.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a Programme Agreement (as the same may be amended and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 1 April 2010, agreed with the Issuer and the LLP a basis upon which such Dealers or any of them may from time to time agree to purchase Covered Bonds. Any such agreement for any particular purchase by a Dealer will extend to those matters stated under the sections of this Prospectus entitled "*Form of the Covered Bonds*" and "*Terms and Conditions of the Covered Bonds*" above. The Issuer may pay the Dealers commission from time to time in connection with the sale of any Covered Bonds. In the Programme Agreement, the Issuer has agreed to reimburse and indemnify the Dealers for certain of their expenses and liabilities in connection with the establishment and any future updates of the Programme and the issue of Covered Bonds under the Programme. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to issue and purchase Covered Bonds under the Programme Agreement in certain circumstances prior to payment to the Issuer.

Transfer Restrictions

As a result of the following restrictions, purchasers of Covered Bonds in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Covered Bonds.

Each purchaser of Registered Covered Bonds or person wishing to transfer an interest from one Registered Global Covered Bond to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Covered Bond will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) That either: (i) it is a QIB, purchasing (or holding) the Covered Bonds for its own account or for the account of one or more QIBs, and it is aware that any sale to it is being made in reliance on Rule 144A; or (ii) it is outside the United States and is not a U.S. person and it is not purchasing (or holding) the Covered Bonds for the account or benefit of a U.S. person;

(b) that the Covered Bonds are being offered and sold in a transaction not involving an offering in the United States within the meaning of the Securities Act, and that the Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act as set forth below;

(c) that neither the Issuer nor the LLP will register the Covered Bonds or the Covered Bond Guarantee under the Securities Act;

(d) that if in the future it decides to resell, pledge or otherwise transfer the Covered Bonds or any beneficial interests in the Covered Bonds, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Covered Bonds, only: (i) to the Issuer or any affiliate thereof; (ii) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A; (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act; (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available); or (v) pursuant to an effective

registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(e) that it will, and will require each subsequent holder to, notify any purchaser of the Covered Bonds from it of the resale restrictions referred to in paragraph (d) above, if then applicable;

(f) that Covered Bonds initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Covered Bonds, and that Covered Bonds offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Covered Bonds;

(g) except as otherwise provided in any supplement to this Prospectus, either (i) it is not, and is not acting on behalf of, a Plan or a governmental, church or non-U.S. plan which is subject to any Similar Law or (b) its acquisition, holding and disposition of such Covered Bonds (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Law;

(h) if it is, or is acting on behalf of, a Plan, (i) none of the Issuer, the LLP, the Bond Trustee, the Security Trustee, any Dealer or any other party to the transactions referred to in this Prospectus or any of their respective affiliates has provided any investment recommendation or investment advice to it, or any Plan Fiduciary, in connection with its decision to invest in the Covered Bonds, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Plan or the Plan Fiduciary in connection with the Plan's acquisition of the Covered Bonds and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Covered Bonds;

(i) that the Covered Bonds, other than the Regulation S Global Covered Bonds, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES 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 PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. ACCORDINGLY, 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 THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY (THE "**AGENCY AGREEMENT**") AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN: (1) TO THE ISSUER OR ANY AFFILIATE THEREOF; (2) 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 FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES

ACT; (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE); (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (6) PURSUANT TO ANOTHER AVAILABLE EXEMPTION, 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 HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, 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).

UNLESS OTHERWISE PROVIDED IN A SUPPLEMENT TO THE PROSPECTUS, EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL BE DEEMED TO REPRESENT AND WARRANT, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER OR TRANSFEREE ACQUIRES THIS SECURITY (OR ANY INTEREST HEREIN) THROUGH AND INCLUDING THE DATE ON WHICH THE PURCHASER OR TRANSFEREE DISPOSES OF THIS SECURITY (OR ITS INTEREST HEREIN), EITHER THAT (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, (A) AN “EMPLOYEE BENEFIT PLAN” (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO TITLE I OF ERISA, (B) A “PLAN” (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**")) THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (C) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN’S OR PLAN’S INVESTMENT IN THE ENTITY (EACH OF THE FOREGOING, A "**BENEFIT PLAN INVESTOR**") OR (D) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") OR (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY SIMILAR LAW.

EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS SECURITY (OR ANY INTEREST HEREIN) THAT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, WILL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) NONE OF THE ISSUER, THE LLP, THE BOND TRUSTEE, THE

SECURITY TRUSTEE, ANY DEALER OR ANY OF THEIR RESPECTIVE AFFILIATES HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR ("**PLAN FIDUCIARY**"), IN CONNECTION WITH ITS DECISION TO INVEST IN THIS SECURITY, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS SECURITY AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THIS SECURITY.

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

(j) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Covered Bonds prior to the expiration of the distribution compliance period (defined as 40 days after the completion of the distribution of the Tranche of Covered Bonds of which such Covered Bonds are a part, as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue), it will do so only; (i)(A) outside the United States in compliance with Rule 903 or 904 under the Securities Act; or (B) to a QIB in compliance with Rule 144A; and (ii) in accordance with all applicable U.S. State securities laws, and it acknowledges that the Regulation S Global Covered Bonds will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"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, THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. UNTIL THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL OF THE COVERED BONDS OF THE TRANCHE OF WHICH THIS COVERED BOND FORMS PART, SALES MAY NOT BE MADE IN THE UNITED STATES OR TO U.S. PERSONS UNLESS MADE: (I) PURSUANT TO RULE 903 OR 904 OR 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."; and

(k) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Covered Bonds as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Covered Bonds in the United States to any one purchaser will be for less than U.S.$250,000 (or the approximate equivalent in another Specified Currency) principal amount and no Legended Covered Bond will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$250,000 (or the approximate equivalent in another Specified Currency) principal amount of Registered Covered Bonds.

Dealers may arrange for the resale of Covered Bonds to QIBs pursuant to Rule 144A and each such purchaser of Covered Bonds is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Covered Bonds which may be purchased by a QIB pursuant to Rule 144A is U.S.$250,000 (or the approximate equivalent in another Specified Currency.)

Selling Restrictions

United States

Regulation S, Category 2, TEFRA D rules apply, unless the applicable Final Terms specifies that the TEFRA C rules are applicable instead, or that the TEFRA rules are not applicable. Sales to QIBs in reliance upon Rule 144A under the United States Securities Act of 1933, as amended (the Securities Act) who agree to purchase for their own account and not with a view to distribution will be permitted, if so specified in the applicable Final Terms.

The Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code, and regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA D or TEFRA C rules apply or whether TEFRA is not applicable.

In connection with any Covered Bonds which are offered or sold outside the United States in reliance on Regulation S (**Regulation S Covered Bonds**), each Dealer has represented, warranted and agreed that it has not offered or sold or delivered any Regulation S Covered Bonds, and will not offer, sell or deliver any Regulation S Covered Bonds (a) as part of its distribution at any time or (b) otherwise until forty (40) days after the completion of the distribution of the Tranche of Covered Bonds of which such Covered Bonds are a part, as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Each Dealer has further agreed that it will send to each distributor, dealer or persons receiving a selling concession, fee or other remuneration to which it sells any Regulation S Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until forty (40) days after the commencement of the offering of a Tranche of Covered Bonds, an offer or sale of such Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Covered Bonds to QIBs pursuant to Rule 144A and each such purchaser of Covered Bonds is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Covered Bonds which may be purchased by a QIB pursuant to Rule 144A is U.S.$250,000 (or the approximate equivalent in another Specified Currency). To permit compliance with Rule 144A in connection with any resales or other transfers of Covered Bonds that are "restricted securities" within the meaning of the Securities Act, each of the Issuer and the LLP has undertaken in the Trust Deed to furnish, upon the request of a holder of such Covered Bonds or any beneficial interest therein, to such holder or to a prospective purchaser designated by them, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Covered Bonds remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and each of the Issuer and the LLP is neither a reporting company under Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

In respect of Bearer Covered Bonds where "TEFRA D" is specified in the applicable Final Terms:

(a) except to the extent permitted under U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D) (or any successor United States Treasury Regulation section, including, without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise applicable for purposes of section 4701 of the Code) (**TEFRA D**), each Dealer has (i) represented, warranted and agreed that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Bearer Covered Bonds to a person who is within the United States or its possessions or to a United States person, and (ii) represented, warranted and agreed that it has not delivered and agrees that it will not deliver within the United States or its possessions Bearer Definitive Covered Bonds that are sold during the restricted period;

(b) each Dealer has represented, warranted and agreed that it has and that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Covered Bonds are aware that such Bearer Covered Bonds may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by TEFRA D;

(c) each Dealer which is a United States person has represented, warranted and agreed that it is acquiring Bearer Covered Bonds for purposes of resale in connection with their original issuance and that if it retains Bearer Covered Bonds for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation section l.163-5(c)(2)(i)(D)(6) (or any successor United States Treasury Regulation section, including, without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise applicable for purposes of section 4701 of the Code);

(d) with respect to each affiliate that acquires Bearer Covered Bonds from a Dealer for the purpose of offering or selling such Bearer Covered Bonds during the restricted period, such

Dealer has repeated and confirmed the representations, warranties and agreements contained in (a), (b), (c) and (e) on such affiliate's behalf; and

(e) each Dealer has represented, warranted and agreed that it will obtain from any distributor (within the meaning of U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(4)(ii) (or any successor United States Treasury Regulation section, including, without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise applicable for purposes of section 4701 of the Code) that purchases any Bearer Covered Bonds from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations and warranties contained in, and such distributor's agreement to comply with, the provisions of (a), (b), (c) and (d) of this paragraph insofar as they relate to TEFRA D, as if such distributor were a Dealer hereunder.

Terms used in the above paragraph have the meanings given to them by the Code and the U.S. Treasury regulations thereunder (the **Regulations**), including TEFRA D.

In respect of Bearer Covered Bonds where "TEFRA C" is specified in the applicable Final Terms, each Dealer has represented that it understands that under U.S. Treasury Regulation section 1.163-5(c)(2)(i)(C) (or any successor United States Treasury Regulation section, including, without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise applicable for purposes of section 4701 of the Code) (**TEFRA C**) such Bearer Covered Bonds must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented, warranted and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Covered Bonds within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented, warranted and agreed in connection with the original issuance of such Bearer Covered Bonds that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Dealer or such prospective purchaser is within the United States or its possessions or otherwise involve a U.S. office of the Dealer in the offer or sale of such Bearer Covered Bonds. Terms used in this paragraph have the meanings given to them by the Code and the Regulations, including TEFRA C.

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Covered Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Covered Bonds which are the subject of this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the **POATRs**); and

(b) the expression offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to buy or subscribe for the Covered Bonds.

United Kingdom

Other regulatory restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which section 21(1) of the FSMA does not apply to the LLP or, in the case of the Issuer would not, if it was not an authorised person, apply to the Issuer;

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any such Covered Bonds in, from or otherwise involving the UK; and

(c) in relation to Covered Bonds which have a maturity of less than one (1) year (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of section 19 of the FSMA by the Issuer.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the **FIEA**)) and each Dealer has represented and agreed that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Prohibition of sales to EEA retail investors

Unless the Final Terms in respect of any Covered Bonds specify "Prohibition of sales to EEA retail investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **EU Prospectus Regulation**); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

If the Final Terms in respect of any Covered Bonds specify "Prohibition of sales to EEA retail investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a **Relevant State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State, except that it may make an offer of such Covered Bonds to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Covered Bonds referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision:

(a) the expression **offer of Covered Bonds to the public** in relation to any Covered Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds; and

(b) the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129.

Switzerland

The Covered Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**) and no application has or will be made to admit the Covered Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Covered Bonds constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Covered Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that no document (including this Prospectus) has been registered, or will be registered, as a prospectus with the Monetary Authority of Singapore, and the Covered Bonds will be offered pursuant to exemptions under the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the **Securities and Futures Act**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Covered Bonds have not and may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Covered Bonds be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act) pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) pursuant to Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Covered Bonds are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person that is:

(a) a corporation (that is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) whose sole purpose is to hold investments, and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust will not be transferable for six months after that corporation or that trust has acquired the Covered Bonds pursuant to an offer under Section 275 of the Securities and Futures Act except:

(i) to an institutional investor (for corporations, under Section 274 of the Securities and Futures Act) or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) and Section 276(4)(c)(ii) of the Securities and Futures Act;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the Securities and Futures Act; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the **Australian Corporations Act**)) in relation to the Programme or any Covered Bonds has been or will be lodged with or registered by the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or public offering of any Covered Bonds in Australia. Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that in connection with the distribution of each Series or Tranche of Covered Bonds, it:

(a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Covered Bonds in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any information memorandum, prospectus or any other offering material or advertisement relating to the Programme or any Covered Bonds in Australia,

unless:

(i) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in an alternative currency, and, in either case, disregarding moneys lent by the offeror or its associates) and the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;

(ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Australian Corporations Act;

(iii) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the financial services licensing requirements of Chapter 7 of the Australian Corporations Act); and

(iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

In addition, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with the exemption from compliance with section 66 of the Australian Banking Act that is available to the Issuer which requires all offers and transfers to be in parcels of not less than A$500,000 in aggregate principal amount.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, any of the Covered Bonds (except for Covered Bonds which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the **SFO**) other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the SFO and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a

"prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Covered Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Covered Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

The People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Covered Bonds may not be offered or sold directly or indirectly within the People's Republic of China (the **PRC**). This Prospectus, the offering material or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Prospectus, the offering material, any information contained herein or the Covered Bonds have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Covered Bonds in the PRC.

The Covered Bonds may only be invested in by PRC investors that are authorised to engage in the investment in the Covered Bonds of the type being offered or sold. PRC investors themselves are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the People's Bank of China, the China Securities Regulatory Commission, the National Financial Regulatory Administration, the State Administration of Foreign Exchange and/or other relevant regulatory bodies or successors of the aforementioned regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant PRC foreign exchange regulations and/or overseas investment regulations.

France

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, it has only offered or sold, and will only offer or sell, directly or indirectly, Covered Bonds in France to qualified investors (*investisseurs qualifiés*) as referred to in Article L.411-2 1° of the French *Code monétaire et financier* and defined in Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors, the Prospectus, the applicable Final Terms or any other offering material relating to the Covered Bonds.

Canada

Each Dealer acknowledges, and each further Dealer appointed under the Programme will be required to acknowledge, that no prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Covered Bonds, the Covered Bonds have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and no securities commission or similar regulatory authority in

Canada has reviewed or in any way passed upon this Prospectus or the merits of the Covered Bonds and any representation to the contrary is an offence.

Each Dealer represents, warrants and agrees that it has not offered, sold or distributed and will not offer, sell or distribute any Covered Bonds, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing:

(a) any offer or sale of the Covered Bonds in Canada will be made only to only to purchasers that are "accredited investors" (as such term is defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions ("NI 45-106") or, in Ontario, as such term is defined in section 73.3(1) of the Securities Act (Ontario)), that are also "permitted clients" (as such term is defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations), that are purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws, and that are not a person created or used solely to purchase or hold the Covered Bonds as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106;

(b) either (A) it is appropriately registered under applicable Canadian securities laws in each relevant province or territory to sell and deliver the Covered Bonds, (B) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the representations, warranties and agreements set out herein, or (C) it is relying on an exemption from the dealer registration requirements under applicable Canadian securities laws and has complied with all the requirements of that exemption; and

(c) it has not and will not distribute or deliver any offering memorandum, or any other offering material in connection with any offering of the Covered Bonds, in or to a resident of Canada except in compliance with applicable Canadian securities laws.

South Korea

The Covered Bonds have not been and will not be registered with the Financial Services Commission of Korea under the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Covered Bonds may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any Korean resident (as such term is defined in the Foreign Exchange Transactions Act of Korea and the decree, rules and regulations promulgated thereunder), except as otherwise permitted under applicable Korean laws and regulations. Furthermore, the Covered Bonds may not be transferred, re-offered or resold, directly or indirectly, in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transactions Act of Korea and the decree, rules and regulations promulgated thereunder) for a period of one year from the date of issuance of the Covered Bonds, except as otherwise permitted by applicable Korean laws and regulations. The aggregate number of Covered Bonds offered in Korea and to Korean residents shall be less than 50, and by purchasing the Covered Bonds, each noteholder will be deemed to represent, warrant and agree that for a period of one year from the date of issuance of the Covered Bonds, the Covered Bonds may not be sub-divided or re-denominated so as to result in increasing the aggregate number of such Covered Bonds to 50 or more.

Taiwan

The Covered Bonds, if listed on the Taipei Exchange for sale to professional institutional investors in Taiwan, may be sold in Taiwan to all professional institutional investors, or, if not listed in Taiwan, the Covered Bonds may be made available only (i) to investors in Taiwan through licensed Taiwan

financial institutions to the extent permitted under relevant Taiwan laws and regulations; or (ii) outside of Taiwan to Taiwan resident investors for purchase by such investors outside of Taiwan, but are not permitted to otherwise be offered or sold in Taiwan.

General

Each Dealer has represented, warranted and agreed that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the LLP, the Seller, the Bond Trustee, the Security Trustee and any of the other Dealers shall have any responsibility therefor. Furthermore, they will not directly or indirectly offer, sell or deliver any Covered Bonds or distribute or publish any form of application, prospectus, advertisement or other offering material, except under circumstances that will, to the best of their knowledge and belief, result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Covered Bonds by them will be made on the same terms.

None of the Issuer, the LLP, the Seller, the Bond Trustee, the Security Trustee and any of the Dealers has made any representation that any action will be taken in any jurisdiction by any Dealers or the Issuer that would permit a public offering of the Covered Bonds, or possession or distribution of the Prospectus, in any country or jurisdiction where action for that purpose is required.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional or modified restrictions (if any) as the Issuer and the relevant Dealer(s) shall agree as a term of issue and purchase as indicated in the applicable Final Terms.

Each Dealer will, unless prohibited by applicable law, furnish to each person to whom it offers or sells Covered Bonds a copy of this Prospectus as then amended or supplemented or, unless delivery of the Prospectus is required by applicable law, inform each such person that a copy will be made available upon request. The Dealers are not authorised to give any information or to make any representation not contained in the Prospectus in connection with the offer and sale of Covered Bonds to which this Prospectus relates.

This Prospectus may be used by the Dealers for offers and sales related to market-making transactions in the Covered Bonds. Any or each of the Dealers may act as principal or agent in these transactions. These sales will be made at prices relating to prevailing market prices at the time of sale. None of the Dealers has any obligation to make a market in the Covered Bonds, and any market-making may be discontinued at any time without notice. The Dealers are participating in the initial distribution of the Covered Bonds.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Dealer or any affiliate of that Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the relevant Dealer or such affiliate on behalf of the Issuer in such jurisdiction.

GENERAL INFORMATION AND RECENT DEVELOPMENTS

Authorisation

The establishment of the Programme and the issue of Covered Bonds have been duly authorised by resolutions of the board of directors of the Issuer dated 28 October 2009 and by resolutions adopted by the ALCO Committee, a sub-committee of the RBS Asset and Liability Management Committee having such delegated authority by the Board of Directors of the Issuer at a meeting held on 31 March 2010. The giving of the Covered Bond Guarantee has been duly authorised by a resolution of the members of the LLP dated 31 March 2010.

Listing of Covered Bonds

The admission of Covered Bonds to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Covered Bonds which is to be admitted to the Official List and to trading on the main market of the London Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Temporary Global Covered Bond, a Permanent Global Covered Bond, a Regulation S Global Covered Bond or a Rule 144A Global Covered Bond, as the case may be, initially representing the Covered Bonds of such Tranche. The listing of the Programme in respect of Covered Bonds is expected to be granted on or about 1 April 2026.

Documents Available

So long as Covered Bonds are capable of being issued under the Programme, copies of the following documents will, when published, be available to the Covered Bondholders during usual business hours and upon reasonable notice on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Issuer and from the specified office of the Principal Paying Agent or can be viewed online at https://investors.natwestgroup.com/fixed-income-investors/covered-bonds:

(a) the constitutive documents of the LLP and the Issuer;

(b) the forms of the Global Covered Bonds, the Definitive Covered Bonds, the Coupons and the Talons;

(c) a copy of this Prospectus and all documents incorporated by reference herein;

(d) any future prospectuses, information memoranda and supplementary prospectuses and any Final Terms (save that Final Terms relating to an unlisted Covered Bond will be available for inspection only by the relevant Dealer or Dealers specified in such Final Terms or, upon proof satisfactory to the Principal Paying Agent or the Registrar, as the case may be, as to the identity of the holder of any Covered Bond to which such Final Terms relate) to this Prospectus and any other documents incorporated herein or therein by reference; and

(e) each Transaction Document (other than the Final Terms as specified above).

In addition, copies of this Prospectus, any documents incorporated by reference and each Final Terms relating to the Covered Bonds which are admitted to trading on the main market of the London Stock Exchange will also be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/news/market-news/market-news-home.html and on

the website of the Issuer at https://investors.natwestgroup.com/fixed-income-investors/covered-bonds.

Clearing Systems

The Bearer Covered Bonds to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Covered Bonds allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Covered Bonds are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

Dealers Transacting with the Issuer

Certain of the Dealers appointed from time to time and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Covered Bonds issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds issued under the Programme. Any such positions could adversely affect future trading prices of Covered Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Significant or Material Change

There has been no significant change in the financial performance or the financial position of the Issuer or the NWB Group since 31 December 2025 (being the date of the Issuer's last published audited consolidated financial statements) and since the last financial period for which interim consolidated financial statements of the Issuer have been published.

There has been no material adverse change in the prospects of the Issuer or the NWB Group since 31 December 2025 (being the date of the Issuer's last published audited consolidated financial statements).

There has been no significant change in the financial performance or financial position of the LLP, nor has there been any material adverse change in the prospects of the LLP since 31 December 2024 (being the date of the last audited non-consolidated annual accounts of the LLP).

Recent Developments

Litigation

There are no governmental, legal or arbitration proceedings which may have or have had during the twelve (12) months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the LLP nor, so far as the LLP is aware, are any such proceedings pending or threatened.

Save as set out in the section entitled "Litigation and regulatory matters" in Note 26 of the "Notes to the financial statements" at page 156 of the 2025 Annual Report and Accounts, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which NatWest is aware) during the twelve (12) months prior to the date of this Prospectus, which may have or have had in the recent past, significant effects on the financial position or profitability of NatWest and/or the NWB Group taken as a whole.

Auditors

The auditor of NatWest and the LLP for the financial years ended on 31 December 2025 and 31 December 2024 was Ernst & Young LLP, registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales, who have audited NatWest's and the LLP's accounts, without qualification, in accordance with generally accepted accounting standards in the UK.

Reports

The Trust Deed provides that the Bond Trustee may rely on reports or other information from professional advisers or other experts in accordance with the provisions of the Trust Deed, whether or not any such report or other information, or engagement letter or 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.

The Issuer provides monthly Investor Reports detailing, among other things, compliance with the Asset Coverage Test. Investor Reports shall be posted on the Issuer's website at https://investors.natwestgroup.com/fixed-income-investors/covered-bonds. Copies of the applicable Final Terms for each series (including in relation to unlisted Covered Bonds of any Series) are available to Covered Bondholders during normal business hours at the registered office of the Issuer and at the specified office of each of the Paying Agents.

In addition, the Issuer is required, pursuant to the terms of the RCB Regulations, to provide loan-level information relating to the Loans in the Asset Pool and to display the Transaction Documents related to the Programme.

Material contracts

The Issuer is not aware of any material contracts having been entered into outside the ordinary course of the Issuer's business, and which could result in any member of the NWB Group being under an obligation or entitlement that is material to its ability to meet its obligation to Covered Bondholders in respect of the Covered Bonds that may be issued.

GLOSSARY

30/360, 360/360, or Bond Basis	The meaning given in Condition (4) (b) (iv) (E) on page 111.
30E/360 (ISDA)	The meaning given in Condition 4(b)(iv)(G) on page 112.
30E/360 or Eurobond Basis	The meaning given in Condition 4(b)(iv)(F) on page 111.
1999 Regulations	The Unfair Terms in Consumer Contracts Regulations 1999, as amended.
€ or euro	The single currency introduced at the start of the third stage of European Economic Monetary Union pursuant to the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act of 1986 and the Treaty of European Union of 7 February 1992 and the Treaty of Amsterdam of 2 October 1997 establishing the European Community, as further amended from time to time.
£ and Sterling	The lawful currency for the time being of the United Kingdom.
$, U.S.$ and U.S. dollars	The lawful currency for the time being of the United States of America.
¥, Yen and JPY	The lawful currency for the time being of Japan.
Account Bank	National Westminster Bank Plc in its capacity as such under the Bank Account Agreement together with any successor or replacement account bank or any additional or alternative account bank appointed from time to time pursuant to a relevant bank account agreement entered into with the LLP, the Cash Manager and the Security Trustee.
Account Bank Ratings	The meaning given on page 212.
Accrual Period	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.
Accrued Interest	In respect of a Loan as at any date the aggregate of all interest accrued but not yet due and payable on the Loan from (and including) the Monthly Payment Date immediately preceding the relevant date to (but excluding) the relevant date.
Accumulation Series of Covered Bonds	The meaning given on page 18.
Actual/360	The meaning given in Condition 4(b)(iv)(D) on page 111, and/or, in the case of N Covered Bonds, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
Actual/365 (Fixed)	The meaning given in Condition 4(b)(iv)(B) on page 111, and/or, in the case of N Covered Bonds, the meaning set out in the relevant N

	Covered Bond Conditions (if applicable).
Actual/365 (Sterling)	The meaning given in Condition 4(b)(iv)(C) on page 111, and/or, in the case of N Covered Bonds, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
Actual/Actual or Actual/Actual (ISDA)	The meaning given in Condition 4(b)(iv)(A) on page 110, and/or, in the case of N Covered Bonds, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
Actual/Actual (ICMA)	The meaning given in Condition 4(a) on page 99, and/or, in the case of N Covered Bonds, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
Additional Loan Advance	A further drawing (including, but not limited to, Further Advances) in respect of Loans sold by the Seller to the LLP, following the making of the Initial Advance, which in each case is secured by the same Mortgage as the Initial Advance, and including any retention in respect of the Initial Advance.
Adjusted Required Redemption Amount	The meaning given in the section in the Prospectus entitled "*Summary of the Principal Documents*" on page 184.
Agency Agreement	The agency agreement dated the Initial Programme Date and made between the Issuer, the LLP, the Bond Trustee, the Security Trustee, the Principal Paying Agent, the Registrar and the Transfer Agent as supplemented on 29 February 2012 and amended and restated on 16 May 2013, 10 July 2015, 6 June 2018, 28 February 2019, 22 September 2020 and on or about the date of this Prospectus (and as further modified and/or supplemented and/or restated from time to time).
Agent	Each of the Paying Agents, the Registrar and the Transfer Agent.
Aggregate Adjusted Asset Amount	The meaning given in the section in the Prospectus entitled "*Summary of the Principal Documents*" on page 196.
Amortisation Test	The test as to whether the Amortisation Test Aggregate Loan Amount is at least equal to the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.
Amortisation Test Aggregate Loan Amount	The meaning given in the section in the Prospectus entitled "*Summary of the Principal Documents*" on page 199.
Amortisation Test True Balance	The meaning given in the section in the Prospectus entitled "*Summary of the Principal Documents*" on page 199.
Amortised Face Amount	The meaning given in the section in the Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 122 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
applicable Final Terms	The meaning given on page 73.

Arranger	NatWest Markets Plc, and any other entity appointed as an arranger for the Programme or in respect of any particular issue of Covered Bonds under the Programme.
Arrears Adjusted True Balance	The meaning given in the section in the Prospectus entitled "*Summary of the Principal Documents*" on page 197.
Arrears of Interest	As at any date in respect of any Loan, the aggregate of all interest (other than Capitalised Interest or Accrued Interest) on that Loan which is currently due and payable and unpaid on that date.
Asset Coverage Test	The test as to whether the Aggregate Adjusted Asset Amount is at least equal to the Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.
Asset Coverage Test Breach Notice	The notice required to be served by the Bond Trustee if the Asset Coverage Test has not been met on two (2) consecutive Calculation Dates (subject to the Bond Trustee having actual knowledge or express notice of same).
Asset Monitor	Deloitte LLP, appointed as such under the Asset Monitor Agreement.
Asset Monitor Agreement	The asset monitor agreement entered into on the Initial Programme Date as amended between the Asset Monitor, the LLP, the Cash Manager, the Issuer, the Bond Trustee and the Security Trustee.
Asset Monitor Report	A report substantially in the form contained in Schedule 2 of the Asset Monitor Agreement and prepared by the Asset Monitor on the basis of and in accordance with the calculations and procedures set out in Schedule 3 of the Asset Monitor Agreement.
Asset Percentage	The meaning given in the section of this Prospectus entitled "*Summary of the Principal Documents*" on page 198.
Asset Pool	All assets of the LLP from time to time including but not limited to the Portfolio, any Substitution Assets, any Authorised Investments, the rights of the LLP under the Transaction Documents, the LLP Accounts (apart from the Swap Collateral Accounts) and all amounts standing to the credit thereto and any other assets referred to in Regulation 3(1) (*Asset Pool*) of the RCB Regulations (to the extent they apply) provided that all such assets are recorded as comprising the asset pool under the RCB Regulations.
Associated Debt	Any indebtedness a Borrower owes or may owe to the Seller, from time to time, other than its relevant Loan which is not assigned to the LLP.
Associated Debt Amount	Any amount paid to the Seller by a Borrower and received by the LLP, which is referable to the Associated Debt.
Authorised Investments	(a) Sterling gilt-edged securities;

(b) Sterling demand or time deposits, provided that in all cases such investments will mature on or before the next following LLP Payment Date and the short-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) are rated at least P-1 by Moody's and F1 by Fitch or their equivalents by two other internationally recognised rating agencies; and

(c) in relation to investments made with funds standing to the credit of the relevant Deposit Account only, have a rate of return which is commercially reasonable given the nature and possible duration of the investment,

provided that such Authorised Investments comply with the requirements of Regulation 2(1)(a) of the RCB Regulations.

Available Principal Receipts On a relevant Calculation Date, an amount equal to the aggregate of (without double counting):

(a) the amount of Principal Receipts received during the immediately preceding Calculation Period and credited to the Principal Ledger (but, for the avoidance of doubt, excluding any Principal Receipts received in the Calculation Period beginning in the month in which the relevant Calculation Date falls) less any Principal Receipts applied during such Calculation Period to acquire New Portfolios;

(b) any other amount standing to the credit of the Principal Ledger including: (i) the proceeds of any Term Advance (where such proceeds have not been applied to acquire New Portfolios or invest in Substitution Assets); (ii) any Cash Capital Contributions received from a Member (other than any Cash Capital Contribution to the extent representing any Required Coupon Amount and any Cash Capital Contributions credited to the Revenue Ledger); and (iii) the proceeds from any sale of Selected Loans pursuant to the terms of the LLP Deed or the Mortgage Sale Agreement but excluding any amount in respect of principal received by the LLP under each Covered Bond Swap Agreement;

(c) following repayment of any Hard Bullet Covered Bonds by the Issuer on the Final Maturity Date thereof, any amounts standing to the credit of the Pre-Maturity Liquidity Ledger in respect of such Series of Hard Bullet Covered Bonds (except where the LLP has elected to or is required to retain such amounts on the Pre-Maturity Liquidity Ledger); and

(d) any Excess Proceeds,

but shall not include:

(e) Third Party Amounts, which shall be paid on receipt in cleared funds to the Seller;

(f) any Swap Collateral Excluded Amounts (to the extent otherwise constituting Available Principal Receipts);

(g) any Tax Credits and any amount received by the LLP from a Member in respect of Tax Credits (to the extent otherwise constituting Available Principal Receipts);

(h) any Swap Provider Tax Payments received from any Swap Providers (to the extent otherwise constituting Available Principal Receipts); and

(i) any Associated Debt Amounts (to the extent otherwise constituting Available Principal Receipts).

Available Revenue Receipts On a relevant Calculation Date, an amount equal to the aggregate of:

(a) the amount of Revenue Receipts received during the previous Calculation Period and credited to the Revenue Ledger;

(b) other net income of the LLP including all amounts of interest received on the LLP Accounts, the Substitution Assets and Authorised Investments in the previous Calculation Period but excluding amounts received by the LLP under the Interest Rate Swap Agreement and under each Covered Bond Swap Agreement;

(c) prior to the service of a Notice to Pay, amounts standing to the credit of the Reserve Fund in excess of the Reserve Fund Required Amount;

(d) any other amounts not referred to in paragraphs (a) to (c) (inclusive) above received during the previous Calculation Period and standing to the credit of the Revenue Ledger on the LLP Accounts;

(e) following the service on the LLP of a Notice to Pay, amounts standing to the credit of the Reserve Fund to the extent required to pay items (a) to (c) and (e) of the Guarantee Priority of Payments, taking into account the other funds available to the LLP; and

(f) amounts standing to the credit of the Coupon Payment Ledger in excess of the Required Coupon Amount for (i) each Interest Payment Date for those Series of Covered Bonds that do not have a Covered Bond Swap in place and are not an Accumulation Series of Covered Bonds, or (ii) each date on which the LLP is due to make a payment under the relevant Covered Bond Swap in respect of those Series of Covered Bonds that have a Covered Bond Swap in place and/or (iii)

each LLP Payment Date for an Accumulation Series of Covered Bonds immediately succeeding such Calculation Date less, in the case of an Accumulation Series of Covered Bonds, any amount to be paid into the Interest Accumulation Ledger to ensure that the amount credited thereto is equal to the aggregate of all LLP Monthly Interest Amounts that should have been credited for the relevant Interest Period;

but shall not include:

(g) Third Party Amounts, which shall be paid on receipt in cleared funds to the Seller;

(h) any Tax Credits and any amount received by the LLP from a Member in respect of Tax Credits (to the extent otherwise constituting Available Revenue Receipts);

(i) any Swap Provider Tax Payments received from Swap Providers (to the extent otherwise constituting Available Revenue Receipts);

(j) any Swap Collateral Excluded Amounts (to the extent otherwise constituting Available Revenue Receipts);

(k) any amount standing to the credit of the Coupon Payment Ledger and the Interest Accumulation Ledger representing the Required Coupon Amount as at the next following LLP Payment Date; and

(l) any Associated Debt Amounts (to the extent otherwise constituting Available Revenue Receipts).

Bank Account Agreement The bank account agreement dated the Initial Programme Date, as amended and restated on 11 September 2012, 19 December 2014, 10 July 2015, 6 June 2018, 22 June 2020 and 14 November 2024 (and as further amended and restated from time to time) between the LLP, the Account Bank, the Cash Manager and the Security Trustee.

Banking Act The Banking Act 2009.

Basel III The meaning given on page 66.

BCBS The meaning given on page 66.

Bearer Covered Bonds Covered Bonds in bearer form.

Bearer Definitive Covered Bonds A Bearer Covered Bond in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and the Trust Deed in exchange for either a Temporary Global Covered Bond or part thereof or a Permanent Global Covered Bond or part thereof (all as indicated in the applicable Final Terms), such Bearer Covered Bond in definitive form being in the form or substantially in the form set out in

	Part 3 of Schedule 2 to the Trust Deed with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer or Lead Manager (in the case of syndicated issues) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and (except in the case of a Zero Coupon Covered Bonds in bearer form) having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue.
Bearer Global Covered Bond	The meaning given on page 73.
BoE Base Rate	The Bank of England base rate advised by the Monetary Policy Committee of the Bank of England as displayed on the Bank of England website from time to time.
Bond Trustee	Citicorp Trustee Company Limited, in its capacity as bond trustee under the Trust Deed together with any successor bond trustee or additional bond trustees appointed from time to time thereunder.
Borrower	In relation to a Loan, each individual or individuals specified as such in the relevant Mortgage together with each individual or individuals (if any) from time to time assuming an obligation to repay such Loan or any part of it.
Buildings Insurance Policies	All buildings insurance policies relating to Properties taken out (a) in the name of the relevant Borrower and (b) in the name of the landlord in the case of leasehold Properties where the relevant landlord is responsible for insuring the Property.
Business Day	The meaning given in the section in the Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 101 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions.
Buy-to-Let Loan	A Loan that has been made to a Borrower who wishes to purchase or remortgage the relevant Property for the purpose of letting to third parties either by way of assured shorthold tenancy or by way of a tenancy which would be an assured shorthold tenancy but for the level of rent payable under the tenancy exceeding the maximum amount prescribed for such tenancies, or in respect of Scottish Mortgages, a short assured tenancy, but does not include any Loan that was originally made to a Borrower as a mortgage product other than a buy-to-let residential mortgage loan.
Buy-to-Let Variable Rate Loan	A Buy-to-Let Loan which was offered by NWHL or is offered by NatWest, and in respect of which interest is calculated by reference to the Bank of England base rate or the applicable NWB Standard Variable Rate.
Broker Applications	means the mortgage applications derived from intermediaries that

	include mortgage brokers and independent financial advisers.
Calculation Agent	In relation to all or any Series of the Covered Bonds, the person initially appointed as calculation agent in relation to such Covered Bonds by the Issuer and the LLP pursuant to a Calculation Agency Agreement or, if applicable, any successor or separately appointed calculation agent in relation to all or any Series of the Covered Bonds.
Calculation Date	The seventeenth day of each month (other than in respect of the first Calculation Date) (or if such day is not a London Business Day, then the immediately preceding Business Day). The first Calculation Date occurred on 16 July 2010.
Calculation Period	The period from, and including, the first day of each month to, and including, the last day of each month except that the first Calculation Period means the period from and including the First Transfer Date, to and including 30 June 2010.
Capital Account Ledger	The ledger maintained by the Cash Manager on behalf of the LLP in respect of each Member to record the balance of each Member's Capital Contributions from time to time.
Capital Balance	For a Loan at any date the principal balance of that Loan to which the Servicer applies the relevant interest rate at which interest on that Loan accrues.
Capital Contribution	In relation to each Member, the aggregate of the capital contributed by that Member to the LLP from time to time by way of Cash Capital Contributions and Capital Contributions in Kind as determined on each Calculation Date in accordance with the formula set out in the LLP Deed.
Capital Contribution Balance	The balance of each Member's Capital Contributions as recorded from time to time in the relevant Member's Capital Account Ledger.
Capital Contributions in Kind	A contribution of Loans and their Related Security to the LLP in an amount equal to (a) the aggregate of the True Balance of those Loans as at the relevant Transfer Date minus (b) any cash payment paid by the LLP for such Loans and their Related Security on that Transfer Date.
Capital Distribution	Any return on a Member's Capital Contribution in accordance with the terms of the LLP Deed (and excluding, for the avoidance of doubt, any Deferred Consideration).
Capitalised Expenses	In relation to a Loan, at any date, the amount of any expense, charge, fee, premium or payment (excluding any Arrears of Interest, but including any Higher Lending Charge) capitalised and added to the Capital Balance of the Loan in accordance with the relevant Mortgage Conditions or otherwise by arrangement with the relevant Borrower.
Capitalised Interest	For any Loan at any date, Arrears of Interest which as at that date have been added to the Capital Balance of the Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant

	Borrower.
Capped Rate Loans	Loans which are linked to the Seller Standard Variable Rate but which are also subject to a maximum rate of interest for a fixed period.
Cash Capital Contribution	A Capital Contribution made in cash.
Cash Management Agreement	The cash management agreement entered into on the Initial Programme Date as amended and restated on 19 December 2014, 10 July 2015, 6 June 2018 and 22 September 2020, 14 November 2024 (and as further amended and restated and/or supplemented from time to time) between the LLP, NatWest in its capacity as the Cash Manager, the Seller and the Servicer, the Security Trustee and the Bond Trustee.
Cash Manager	NatWest, in its capacity as cash manager under the Cash Management Agreement together with any successor cash manager appointed from time to time.
Cash Manager Relevant Event	At any time when the Cash Manager and the Issuer are the same entity, the Cash Manager's long-term unsecured, unguaranteed and unsubordinated debt obligations ceasing to be rated at least Baa1 by Moody's and BBB+ by Fitch.
CCA	The Consumer Credit Act 1974, as amended from time to time.
CCA 2006	The Consumer Credit Act 2006, as may be amended from time to time.
CGCB	The meaning given on page 97.
Certificate of Title	A solicitor's, licensed conveyancer's or (in Scotland) qualified conveyancer's report or certificate of title obtained by or on behalf of the Seller in respect of each Property substantially in the form of the pro-forma set out in the Standard Documentation.
Charged Property	The property secured by the LLP pursuant to the Deed of Charge.
Clearing Systems	Euroclear and/or Clearstream, Luxembourg and shall 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.
Clearstream, Luxembourg	Clearstream Banking, S.A..
CMA	UK Competition and Markets Authority.
Common Depositary	The common depositary for Euroclear and Clearstream, Luxembourg.
Conditions	Terms and conditions of the Covered Bonds (as set out in Schedule 1 (*Terms and Conditions of the Covered Bonds*) to the Trust Deed) as modified and/or supplemented by the Final Terms in relation to a

	particular Series of Covered Bonds, as the same may from time to time be modified in accordance with the Trust Deed and (as the context so requires), the N Covered Bond Conditions relating to each Series of N Covered Bonds as modified and/or supplemented by the provisions of the relevant N Covered Bond Agreement.
Corporate Services Agreement	The corporate services agreement entered into by each of the Liquidation Member and Holdings, the Corporate Services Provider, the Share Trustee and the LLP dated the Initial Programme Date (as amended and restated and/or supplemented from time to time).
Corporate Services Provider	CSC Management Services (UK) Limited (formerly known as Intertrust Management Limited), a company incorporated in England and Wales in its capacity as corporate services provider to Holdings and the Liquidation Member under the Corporate Services Agreement, together with any successor corporate services provider appointed from time to time.
Couponholders	The holders of the Coupons (which expression shall, unless the context otherwise requires, include the holders of the Talons).
Coupon Payment Ledger	The ledger maintained by the Cash Manager on the relevant Deposit Account pursuant to the Cash Management Agreement, to record the crediting of Required Coupon Amounts and any debiting of the same.
Coupons	The meaning given in the section in the Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 92.
Covered Bond	Each covered bond (including N Covered Bonds but excluding any N Covered Bond where the relevant N Covered Bondholder has not entered into an N Covered Bond Agreement relating to that Series of N Covered Bonds or where such N Covered Bondholder has breached the terms of the N Covered Bond Agreement relating to such Series of N Covered Bonds) which is or is to be constituted under the Trust Deed, which covered bond may be represented by a Global Covered Bond or any Definitive Covered Bond and includes any replacements for a Covered Bond issued pursuant to Condition 10 (*Replacement of Covered Bonds, Coupons and Talons*) or, in the case of any N Covered Bond, pursuant to Condition 10 (*Replacement of the Certificate*) of the N Covered Bond Conditions.
Covered Bond Guarantee	An unconditional and irrevocable guarantee by the LLP pursuant to the terms of the Trust Deed for the payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment.
Covered Bondholders	The meaning given in the section in the Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 92.
Covered Bond Swap Agreement	Each agreement between the LLP, a Covered Bond Swap Provider and the Security Trustee (as may be amended, amended and restated and/or supplemented from time to time) governing Covered Bond Swap(s) entered into with such Covered Bond Swap Provider in the form of an ISDA Master Agreement, including a schedule, credit support annex

	and a confirmation in relation to each Covered Bond Swap entered into thereunder.
Covered Bond Swap Early Termination Event	The meaning given in the section in the Prospectus entitled "*Summary of the Principal Documents*" on page 210.
Covered Bond Swap Observation Period	An Observation Period as defined in the relevant Covered Bond Swap Agreement.
Covered Bond Swap Provider	Each provider of a Covered Bond Swap under a Covered Bond Swap Agreement.
Covered Bond Swap Rate	In relation to a Covered Bond or Series of Covered Bonds, the exchange rate specified in the Covered Bond Swap(s) relating to such Covered Bond or Series of Covered Bonds or, if the relevant Covered Bond Swap(s) have been terminated, the applicable spot rate.
Covered Bond Swaps	Each of the swap transactions governed by the Covered Bond Swap Agreements.
CPUTR	The meaning given on page 48.
CRA Regulation	Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended).
Custodian	Any custodian with whom the relevant Registered Global Covered Bonds have been deposited.
Custody Agreement	The custody agreement entered into on or about the date of this Prospectus between the LLP, the Swap Collateral Account Bank, the Cash Manager and the Security Trustee.
Day Count Fraction	In the case of a Fixed Rate Covered Bond, the meaning given in Condition 4(a) (*Interest on Fixed Rate Covered Bonds*) in the section in the Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 99 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions (if applicable) and in the case of a Floating Rate Covered Bond, the meaning given in Condition 4(b) (*Interest on Floating Rate Covered Bonds*) in "*Terms and Conditions of the Covered Bonds*" on page 110 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
Dealer	NatWest Markets Plc and any other new Dealer which the Issuer and the LLP may appoint from time to time in accordance with the Programme Agreement, but excluding any entity whose appointment has been terminated in accordance with the Programme Agreement where notice of such termination has been given to the Principal Paying Agent and the Bond Trustee by the Issuer in accordance with the Programme Agreement. References in this Prospectus to the relevant Dealer(s) shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Covered Bonds.

Deed of Charge	The deed of charge dated the Initial Programme Date and supplemented on 14 December 2014 and 6 June 2018 and made between the LLP, the Bond Trustee, the Security Trustee and certain other Secured Creditors and as novated on 1 November 2012 pursuant to the Deed of Novation.
Deed of Novation	The global deed of novation and amendment dated 1 November 2012 entered into by, among others, NWHL, NatWest and RBS under which NWHL novated its rights and obligations under the Transaction Documents to which it was a party, to NatWest.
Defaulted Loan	Any Loan in the Portfolio which is greater than or equal to three (3) months in arrears in relation to its Monthly Payment.
Defaulted Loans Notice	A notice or schedule from the Cash Manager to the Seller identifying any Defaulted Loans in the form set out in the Cash Management Agreement.
Deferred Consideration	The NWB Deferred Consideration.
Definitive Covered Bond	A Bearer Definitive Covered Bond and/or, as the context may require, a Registered Definitive Covered Bond.
Definitive Rule 144A Covered Bond	A Registered Covered Bond in definitive form sold to QIBs pursuant to Rule 144A.
Dematerialised Loan	A Loan completed on or after 1 January 2004 over a Property located in England or Wales in respect of which the Seller does not retain the Title Deeds.
Deposit Account	Means (a) the account opened in the name of the LLP and held with the Account Bank and maintained in accordance with the terms of the Bank Account Agreement and the other Transaction Documents, or such additional or replacement account as may be for the time being be in place with the prior consent of the Security Trustee; or (b) any accounts designated as such and in the name of the LLP held with a relevant additional or alternative account bank appointed from time to time pursuant to a relevant bank account agreement entered into with the LLP, the Cash Manager and the Security Trustee and references to **Deposit Account** shall be deemed to be references to any additional or replacement account in the name of the LLP held with the Account Bank (in such capacity) or such additional or alternative account bank appointed from time to time.
Depositor Set-off Determination Date	If (a) the long-term unsubordinated, unguaranteed debt rating of the Issuer is rated at least A by Fitch and the short-term unsubordinated, unguaranteed debt rating of the Issuer is rated at least F1 by Fitch, January and July in each year or (b) the long-term unsubordinated debt

	rating of the Issuer is rated less than A by Fitch or the short-term unsubordinated, unguaranteed debt rating of the Issuer is rated less than F1 by Fitch, any day falling in July, October and January and April in each year. Provided that, if the long-term unsubordinated, unguaranteed debt rating of the Issuer is again rated at least A by Fitch and the short-term unsubordinated, unguaranteed debt rating of the Issuer is again rated at least F1 by Fitch, the Depositor Set-off Determination Date will be determined in accordance with item (a) above.
Depositor Set-off Percentage	The meaning given on page 199.
Designated Account	The meaning given in Condition 5(d) (*Payments in respect of Registered Covered Bonds*) in the section in the Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 116 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions, as supplemented by the relevant N Covered Bond Agreement.
Designated Bank	The meaning given in Condition 5(d) (*Payments in respect of Registered Covered Bonds*) in the section in the Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 116.
Designated Maturity	The meaning given in the ISDA Definitions.
Designated Member	Each Member appointed and registered as such from time to time having those duties and obligations set out in sections 8 and 9 of the LLPA 2000 being, as at the RFTS Effective Date, NatWest and the Liquidation Member.
Determination Date	The meaning given in the applicable Final Terms.
Determination Period	The meaning given in the section in the Prospectus entitled Condition 4(a) (*Interest on Fixed Rate Covered Bonds*) in "*Terms and Conditions of the Covered Bonds*" on page 99 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
Direct Debiting Scheme	The scheme for the manual or automated debiting of bank accounts operated in accordance with the detailed rules of certain members of the Association for Payment Clearing Services.
Directors	The board of directors for the time being of the Issuer or other relevant entity.
Discounted Rate Loans	Loans which allow the Borrower for a set period of time to pay interest at a specified discount to the Seller Standard Variable Rate.
Distribution Compliance Period	The period that ends forty (40) days after the completion of the distribution of the relevant Tranche of Covered Bonds, as determined and certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue).

Due for Payment

The requirement of the LLP to pay any Guaranteed Amounts following the delivery of a Notice to Pay on the LLP, (a) prior to the occurrence of an LLP Event of Default, on:

(a) the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, or, if later, the day which is two (2) London Business Days following service of a Notice to Pay on the LLP in respect of such Guaranteed Amounts or if the applicable Final Terms specified that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Interest Payment Dates that would have applied if the Final Maturity Date of such Series of Covered Bonds had been the Extended Due for Payment Date (the **Original Due for Payment Date**); and

(b) in relation to any Guaranteed Amounts in respect of the Final Redemption Amount payable on the Final Maturity Date for a Series of Covered Bonds only, the Extended Due for Payment Date, but only (A) if in respect of the relevant Series of Covered Bonds, the Covered Bond Guarantee is subject to an Extended Due for Payment Date pursuant to the terms of the applicable Final Terms and (B) to the extent that the LLP having received a Notice to Pay no later than the date falling one (1) Business Day prior to the Extension Determination Date does not pay Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds by the Extension Determination Date because the LLP has insufficient monies available under the Guarantee Priority of Payments to pay such Guaranteed Amounts in full on the earlier of (I) the date which falls two London Business Days after service of such Notice to Pay on the LLP or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b) (*LLP Events of Default*)) and (II) the Extension Determination Date, or, if, in either case, such day is not a Business Day, the next following Business Day. For the avoidance of doubt, Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise save as provided in paragraph (c) below; or

(c) following the occurrence of an LLP Event of Default, the date on which an LLP Acceleration Notice is served on the Issuer and the LLP.

Earliest Maturing Covered Bonds

At any time the Series of the Covered Bonds (other than any Series which is fully collateralised by amounts standing to the credit of the LLP Accounts) that has or have the earliest Final Maturity Date as specified in the applicable Final Terms (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of an LLP Event of Default).

Early Redemption Amount	The meaning given in the relevant Final Terms.
ECB	The European Central Bank.
EEA	The European Economic Area.
Eligibility Criteria	The meaning given on page 177.
English Loan	A loan secured by an English Mortgage.
English Mortgage	A first ranking charge by way of legal mortgage secured over freehold or leasehold Properties located in England or Wales.
EU	The European Union.
EU Benchmarks Regulation	Regulation (EU) No. 2016/1011 as amended.
EU CRA Regulation	Regulation (EC) No 1060/2009, as amended.
EU EMIR	Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators), as amended or supplemented from time to time;
EURIBOR	Euro-zone inter-bank offered rate.
Euroclear	Euroclear Bank S.A./N.V..
Excess Proceeds	Monies received (following the occurrence of an Issuer Event of Default and delivery of an Issuer Acceleration Notice) 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.
Exchange Act	U.S. Securities Exchange Act of 1934, as amended.
Exchange Date	On or after the date which is forty (40) days after a Temporary Global Covered Bond is issued.
Exchange Event	In the case of Bearer Covered Bonds, the meaning given in "*Form of the Covered Bonds*" on page 74 and in the case of Registered Covered Bonds, the meaning given in "*Form of the Covered Bonds*" on page 75.
Excluded Swap Termination Amount	In relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable to the relevant Swap Provider as a result of (a) a Swap Provider Default with respect to such Swap Provider or (b) a Swap Provider Downgrade Event with respect to such Swap Provider.
Extended Due for	In relation to any Series of Covered Bonds, the date, if any, specified

Payment Date	as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on (or by) the Extension Determination Date in accordance with Condition 6(a) (*Final redemption*) of the Programme Conditions and, in the case of an N Covered Bond, as set out in the relevant N Covered Bond Agreement (if applicable).
Extension Determination Date	In respect of a Series of Covered Bonds, the date falling two (2) London Business Days after the expiry of seven (7) days starting on (and including) the Final Maturity Date of such Series of Covered Bonds.
Extraordinary Resolution	A resolution of the Covered Bondholders passed as such under the terms of the Trust Deed.
FCA	The meaning on page 13.
Final Maturity Date	The Interest Payment Date on which each Series of Covered Bonds will be redeemed at their Principal Amount Outstanding in accordance with the Conditions.
Final Redemption Amount	In relation to any Series of Covered Bonds, the amount due on the Final Maturity Date of such Covered Bonds pursuant to the Conditions and the relevant Final Terms.
Final Terms	Means (a) with respect to Covered Bonds to be admitted to the Official List and to be admitted to trading by the London Stock Exchange, the final terms document substantially in the form attached as Schedule 3 to the Agency Agreement which will constitute the final terms for the purposes of the PRM and (b) with respect to any N Covered Bond, means (taken together) the N Covered Bond Conditions applicable to the N Covered Bond and the relevant N Covered Bond Agreement.
First Transfer Date	The date on which the Initial Portfolio is transferred to the LLP pursuant to the Mortgage Sale Agreement.
Fitch	Fitch Ratings Ltd. and any successor to its rating business.
Fitch Rating Event	An event under a relevant Swap Agreement arising from a downgrade of the rating of the relevant Swap Provider (or the Swap Provider's guarantor or other relevant party) by Fitch which triggers an obligation on the Swap Provider to do one or more of the following in accordance with the terms of the relevant Swap Agreement: (a) provide collateral under the relevant Swap Agreement, (b) obtain a guarantee in respect of its obligations under the relevant Swap Agreement, (c) transfer its rights and obligations under the relevant Swap Agreement to an appropriately rated third-party entity or (d) take such other action (as confirmed by Fitch) as will result in the rating of the Covered Bonds by Fitch following the taking of such action being maintained at, or restored to, the level at which it was immediately prior to such Fitch Rating Event.

Fixed Interest Period	The meaning given in Condition 4(a) (*Interest on Fixed Rate Covered Bonds*) in the section in the Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 98 of the Programme Conditions and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
Fixed Rate Covered Bonds	Covered Bonds paying a fixed rate of interest on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) identified in the relevant Final Terms and on redemption calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).
Fixed Rate Loans	Loans subject to a fixed interest rate for a specified period of time and which, at the expiration of that period, generally convert to Variable Rate Loans.
Flexible Choice Rate	The NWB Flexible Choice Rate.
Flexible Loan	A Loan which, *inter alia*, gives the Borrower the option to make Overpayments and, from the credit accumulated on the flexible facility by virtue of such Overpayments, make Underpayments or take Payment Holidays or make a withdrawal under the terms of the Loan, which amount is secured on the same Property as the Initial Advance under such Loan.
Flexible Loan Drawing	An amount withdrawn by a Borrower under the terms of his or her Flexible Loan after the date on which the relevant Loan was transferred to the LLP pursuant to the Mortgage Sale Agreement, which amount is secured on the same Property as the Initial Advance under such Loan.
Floating Rate Convention	The meaning given in the section in the Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 100 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
Floating Rate Covered Bonds	Covered Bonds which bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s), as set out in the applicable Final Terms.
Floating Rate Option	The meaning given in the ISDA Definitions.
Following Business Day	The meaning given in the section in the Prospectus entitled "*Terms*

Convention	*and Conditions of the Covered Bonds*" on page 101 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
FSA	The Financial Services Authority and any successor thereto, including the FCA.
FSMA	The Financial Services and Markets Act 2000, as amended from time to time.
Further Advance	In relation to a Loan, any advance of further money to the relevant Borrower following the making of the Initial Advance, which is secured by the same Mortgage as the Initial Advance, excluding the amount of any retention in respect of the Initial Advance, and does not include a Flexible Loan Drawing.
Global Covered Bond	A Bearer Global Covered Bond and/or Registered Global Covered Bond, as the context may require.
Guaranteed Amounts	Prior to the service of an LLP Acceleration Notice, with respect to any Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on that Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, or after service of an LLP Acceleration Notice, an amount equal to the relevant Early Redemption Amount as specified in the Conditions plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the LLP under the Trust Deed.
Guarantee Priority of Payments	The meaning given in "*Cashflows*" on page 228.
Halifax Index	The index of increases or decreases in house prices issued by Markit plc in relation to residential properties in the United Kingdom.
Hard Bullet Covered Bond	Any Covered Bond issued by the Issuer in respect of which the principal is due to be redeemed in full in one amount on the Final Maturity Date of that Covered Bond and which is identified as such in the applicable Final Terms.
HBO	Home Buying & Ownership
Higher Lending Charge	Any fee incurred by a Borrower in respect of its mortgage account where the aggregate of the outstanding principal balance of the relevant Loan(s) at origination (excluding any capitalised Higher Lending Charge or booking fees and/or valuation fees) exceeds certain specified percentages.
HMRC	HM Revenue & Customs.
Holdings	NatWest Covered Bonds (Holdings) Limited, a special purpose vehicle incorporated in England and Wales as a private limited company

(registered no. 7033644).

Household Contingency Policy For loan amounts of a principal amount of up to £2,500,000, a block policy held by the Seller which covers the value of the Loan rather than the Property.

ICSD The International Central Securities Depository.

Indexed Valuation At any date in relation to any Loan secured over any Property:

(a) where the Latest Valuation of that Property is equal to or greater than the UK House Price Indexed Valuation as at that date, the UK House Price Indexed Valuation; or

(b) where the Latest Valuation of that Property is less than the UK House Price Indexed Valuation as at that date, the Latest Valuation plus 85% of the difference between the Latest Valuation and the UK House Price Indexed Valuation.

Initial Advance In relation to a Loan, the original principal amount together with the amount of any retention advanced to the relevant Borrower after completion of the Mortgage, and it may include any Higher Lending Charge or other fees (if capitalised).

Initial Portfolio The meaning given in the section of this Prospectus entitled "*The Portfolio*" on page 252.

Initial Programme Date 1 April 2010.

Insolvency Act The Insolvency Act 1986, as amended.

Insolvency Event In respect of the Seller, the Servicer or the Cash Manager:

(a) an order is made or an effective resolution passed for the winding up of the relevant entity; or

(b) the relevant entity stops or threatens to stop payment to its creditors generally or the relevant entity ceases or threatens to cease to carry on its business or substantially the whole of its business; or

(c) an encumbrancer takes possession or a receiver, administrator, administrative receiver, bank liquidator, bank administrator or other similar officer is appointed to the whole or any material part of the undertaking, property and assets of the relevant entity or a distress, diligence or execution is levied or enforced upon or sued out against the whole or any material part of the chattels or property of the relevant entity and, in the case of any of the foregoing events, is not discharged within thirty (30) days; or

(d) the relevant entity is unable to pay its debts as they fall due.

Insurance Policies The Buildings Insurance Policies and the Household Contingency

	Policy, and **Insurance Policy** shall be construed accordingly.
Intercompany Loan	The term loan entered into on the Initial Programme Date (as amended and restated and/or supplemented from time to time) made between the Issuer, the Cash Manager, the LLP and the Security Trustee and **Intercompany Loan Agreement** means the related term loan agreement.
Intercompany Loan Ledger	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record all payments of interest and repayments of principal on each of the Term Advances.
Interest Accumulation Ledger	The ledger maintained on the relevant Deposit Account, which shall record the LLP Monthly Interest Amounts accumulated on each LLP Payment Date in respect of a relevant Accumulation Series of Covered Bonds in accordance with the relevant Priority of Payments, such amounts to be applied, together with Available Revenue Receipts in accordance with the Priorities of Payments, (i) prior to the service of a Notice to Pay in payment of interest on the relevant Term Advance and (ii) following service of a Notice to Pay, Scheduled Interest that is Due for Payment in respect of such Accumulation Series of Covered Bonds.
Interest Amount	The amount of interest payable on the Floating Rate Covered Bonds in respect of each Specified Denomination for the relevant Interest Period.
Interest Commencement Date	The meaning given on page 98.
Interest Payment Date	In relation to any Series of Covered Bonds, the Specified Interest Payment Date or the meaning given in the applicable Final Terms (as the case may be).
Interest Period	The period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.
Interest Rate Swap	Each of the interest rate swaps entered into between the LLP and NatWest (in its capacity as Interest Rate Swap Provider) and governed by the Interest Rate Swap Agreement.
Interest Rate Swap Agreement	The agreement between the LLP, the Interest Rate Swap Provider and the Security Trustee dated as of the Initial Programme Date (and as may be amended, amended and restated and/or supplemented from time to time) governing the Interest Rate Swaps in the form of an ISDA Master Agreement, including a schedule, credit support annex and a confirmation in respect of each Interest Rate Swap entered into thereunder.
Interest Rate Swap Early Termination Event	The meaning given in the section in the Prospectus entitled "*Summary of the Principal Documents*" on page 207.
Interest Rate Swap	NatWest, in its capacity as interest rate swap provider under the

Provider	Interest Rate Swap Agreement or any successor interest rate swap provider.
Investor Report	The quarterly report made available to the Covered Bondholders, the Security Trustee, the Bond Trustee and the Rating Agencies detailing, *inter alia*, compliance with the Asset Coverage Test.
ISDA	International Swaps and Derivatives Association, Inc..
ISDA Definitions	Either: (a) the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Covered Bonds of the relevant Series (as specified in the relevant Final Terms)) published by ISDA; or (b) the latest version of the ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant Final Terms, each as published by ISDA (or any successor) on its website (http://www.isda.org), on the date of issue of the first Tranche of the Covered Bonds of such Series, as the case may be.
ISDA Master Agreement	The 1992 ISDA Master Agreement (Multicurrency – Cross Border) or ISDA 2002 Master Agreement (as applicable), each as published by ISDA.
ISDA Rate	The meaning given in the section in the Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 101 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions (if applicable).
Issue Date	Each date on which the Issuer issues Covered Bonds to Covered Bondholders under the Programme, as specified in the applicable Final Terms.
Issuer	National Westminster Bank Plc, incorporated under the laws of England and Wales, whose registered office is at 250 Bishopsgate, London EC2M 4AA.
Issuer Acceleration Notice	The meaning given in Condition 9(a) (*Issuer Events of Default*) in the section of this Prospectus entitled "***Terms and Conditions of the Covered*** Bonds*Terms and Conditions of the Covered Bonds*" on page 125.
Issuer Event of Default	The meaning given in Condition 9(a) (*Issuer Events of Default*) in the section of this Prospectus entitled "***Terms and Conditions of the Covered*** Bonds*Terms and Conditions of the Covered Bonds*" on page 125.
Latest Valuation	In relation to any Property, the value given to that Property specified in the most recent valuation of such Property in the possession of the

	Seller.
Lead Manager	In relation to any Tranche of Covered Bonds, the person named as the Lead Manager in the applicable Subscription Agreement or, when only one Dealer signs such Subscription Agreement, such Dealer.
Ledger	Each of the Revenue Ledger, the Principal Ledger, the Reserve Ledger, the Capital Account Ledger, the Coupon Payment Ledger, the Interest Accumulation Ledger, the Intercompany Loan Ledger, the Swap Collateral Ledger, the Pre-Maturity Liquidity Ledger and the Payment Ledger and each other ledger required to be opened on an LLP Account from time to time (and together, the Ledgers).
Lending Criteria	The lending criteria of the Seller from time to time, or such other criteria as would be acceptable to a Reasonable, Prudent Mortgage Lender.
Life Tracker Rate Loans	The meaning given in the section of this Prospectus entitled "*The Loans*" on page 153.
Liquidation Member	NatWest Covered Bonds (LM) Limited, a special purpose vehicle incorporated in England and Wales as a private limited company (registered no. 7053120).
LLP	NatWest Covered Bonds Limited Liability Partnership, a limited liability partnership incorporated in England and Wales (partnership no. OC349504), whose first members were NWHL, RBS and the Liquidation Member. NWHL novated its role as a member of the LLP to NWB pursuant to the Global Deed of Novation on 1 November 2012. As a consequence of the Ring Fencing Transfer Scheme, and with effect from the RFTS Effective Date, RBS has ceased to be a member of the LLP, with the result that the members of the LLP on the RFTS Effective Date are NatWest and the Liquidation Member.
LLPA 2000	The Limited Liability Partnerships Act 2000.
LLP Acceleration Notice	The meaning given in Condition 9(b) (*LLP Events of Default*) of the Programme Conditions on page 127.
LLP Accounts	Each of the relevant Deposit Account, the Transaction Account and any additional or replacement accounts opened in the name of the LLP from time to time, including each Swap Collateral Account and relevant additional or alternative accounts established from time to time pursuant to the terms of the Transaction Documents.
LLP Deed	The limited liability partnership deed entered into on the Initial Programme Date between the LLP, RBS in its capacity as a Seller as at such date, NWHL in its capacity as a Seller as at such date, the Liquidation Member, the Bond Trustee and the Security Trustee, as novated on 1 November 2012 pursuant to the Global Deed of Novation and as amended, restated, replaced, varied, novated and/or supplemented from time to time.
LLP Event of Default	The meaning given in Condition 9(b) (*LLP Events of Default*) in the

section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 127.

LLP Management Committee The management committee comprised of those persons listed in Schedule 1 (Representatives of the Members of the Meetings of the LLP Management Committee) to the LLP Deed, and thereafter their successors or such other persons appointed from time to time to the committee of management of the LLP in accordance with the LLP Deed which will act on behalf of the LLP and to which (subject to the provisions of the LLP Deed) the Members delegate all matters.

LLP Monthly Interest Amount On any relevant LLP Payment Date, in respect of each Accumulation Series of Covered Bonds:

(a) which are linked to SONIA, an amount equal to the interest actually accrued on the relevant Accumulation Series of Covered Bonds up to (but excluding) such LLP Payment Date and not yet paid to the relevant Interest Accumulation Ledger since the previous Interest Payment Date; or

(b) which are not linked to SONIA, an amount equal to:

(A/B) + C

Where:

(A) is the interest due on the relevant Accumulation Series of Covered Bonds on the immediately following Interest Payment Date, or where an Interest Payment Date falls on the LLP Payment Date on that Interest Payment Date;

(B) is the number of calendar months that fall between Interest Payment Dates in respect of the relevant Accumulation Series of Covered Bonds; and

(C) is an amount equal to the aggregate of all LLP Monthly Interest Amounts not paid to the relevant Interest Accumulation Ledger in respect of an Accumulation Series of Covered Bonds since the previous Interest Payment Date.

LLP Payment Date The 22nd day of each calendar month or if not a London Business Day, the next following London Business Day. The first LLP Payment Date occurred on 22 July 2010.

LLP Payment Period The period from (and including) an LLP Payment Date to (but excluding) the next following LLP Payment Date, save that in the case of the first LLP Payment Period, it shall mean the period from (and including) the Initial Programme Date to (but excluding) the first LLP Payment Date.

LLP Variable Rate The LLP variable rate applicable to the Loans in the Portfolio, as set, other than in limited circumstances, by the Servicer in accordance with

	the Servicing Agreement.
Loan	Any mortgage loan which has been sold to the LLP pursuant to the Mortgage Sale Agreement or is, or is to be, sold, assigned and transferred by the Seller to the LLP from time to time under the terms of the Mortgage Sale Agreement (including, without limitation, all Flexible Loan Drawings, Product Switches and Additional Loan Advances from time to time transferred to the LLP in respect thereof) and referenced by its mortgage loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies due or owing with respect to that mortgage loan under the relevant Mortgage Conditions by a Borrower on the security of a Mortgage over Property located in England or Wales or Scotland from time to time outstanding, or, as the context may require, the Borrower's obligations in respect of the same but excludes any mortgage loan which is repurchased by the Seller or otherwise sold by the LLP and no longer beneficially owned by it.
Loan Files	The file or files relating to each Loan (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing, *inter alia*, correspondence between the Borrower and the Seller and including mortgage documentation applicable to that Loan, each letter of offer for that Loan, the Valuation Report (if applicable) and, to the extent available, the solicitor's or licensed conveyancer's, or (in Scotland) qualified conveyancer's Certificate of Title.
Loan Interest Payment Date	In respect of any Term Advance, each Interest Payment Date in respect of the corresponding Series or Tranche of Covered Bonds that funded such Term Advance.
Loan Repurchase Notice	A notice in substantially the form set out in Schedule 4 (Loan Repurchase Notice) to the Mortgage Sale Agreement served in accordance with the terms of the Mortgage Sale Agreement.
LBD	A London Business Day.
London Business Day	A day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in London.
London Stock Exchange	London Stock Exchange plc's main market.
Long Maturity Covered Bond	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.
LTV Ratio	The ratio (expressed as a percentage) of the True Balance of a Loan to the value of the relevant Property securing that Loan (the **loan-to-value ratio**).

Margin	Where applicable, the margin set out in the relevant Final Terms.
Master Definitions and Construction Agreement	The master definitions and construction agreement made between the parties to the Transaction Documents on or about the Initial Programme Date as amended on 26 May 2010, 1 November 2012 and 21 December 2012 and as amended and restated on 14 June 2011, as novated pursuant to the Global Deed of Novation on 1 November 2012, and as further amended and restated on 16 May 2013, 19 December 2014, 10 July 2015, 19 December 2016, 6 June 2018, 22 September 2020, 20 June 2023, 14 November 2024 and on or about the date of this Prospectus and as amended, supplemented, varied and/or restated from time to time.
MCOB	Mortgages and Home Finance: Conduct of Business sourcebook, implemented by the FCA as amended, revised or supplemented from time to time.
Member	From time to time, each member of the LLP.
MH/CP Documentation	An affidavit, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 or (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or the Property secured thereby.
MiFID II	Directive 2014/65/EU, as amended.
Modified Following Business Day Convention	The meaning given in Condition 4(b) (*Interest on Floating Rate Covered Bonds*) in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 101.
Monthly Payment	The amount which the relevant Mortgage Conditions require a Borrower to pay on each Monthly Payment Date in respect of that Borrower's Loan.
Monthly Payment Date	In relation to a Loan, the date in each month on which the relevant Borrower is required to make a Monthly Payment.
Moody's	Moody's Investors Service Limited and any successor to its rating business.
Moody's Rating Event	An event under a relevant Swap Agreement arising from a downgrade of the rating of the relevant Swap Provider (or the Swap Provider's guarantor or other relevant party) by Moody's which triggers an obligation on the Swap Provider to do one or more of the following in accordance with the terms of the relevant Swap Agreement: (a) provide collateral under the relevant Swap Agreement, (b) obtain a guarantee in respect of its obligations under the relevant Swap Agreement, (c) transfer its rights and obligations under the relevant Swap Agreement to an appropriately rated third-party entity or (d) take some other action (which may, for the avoidance of doubt, include taking no action) and Moody's has confirmed in writing that the substitution of such action (or inaction) as an alternative to performance of the actions detailed in the relevant Swap Agreement

	will not adversely affect the then current rating assigned to the Covered Bonds by Moody's.
Mortgage	In respect of any Loan, each fixed charge by way of legal mortgage (in relation to an English Loan) and each first ranking standard security (in relation to a Scottish Loan) which has been sold to the LLP pursuant to the Mortgage Sale Agreement or is, or is to be, sold by the Seller to the LLP pursuant to the Mortgage Sale Agreement, which secures the repayment of the relevant Loan, including the Mortgage Conditions applicable to it.
Mortgage Conditions	All the terms and conditions applicable to a Loan, including without limitation those set out in the Seller's relevant mortgage conditions booklet and the Seller's relevant general conditions, each as varied from time to time by the relevant loan agreement and the relevant Mortgage Deed.
Mortgage Deed	In respect of any Mortgage, the deed creating that Mortgage.
Mortgage Sale Agreement	The NWB Mortgage Sale Agreement (and, to the extent the context so requires, the mortgage sale agreement entered into on the Initial Programme Date between RBS as a Seller, the LLP and the Security Trustee as amended, restated, replaced, varied, novated and/or supplemented from time to time and as consolidated into the NWB Mortgage Sale Agreement from the RFTS Effective Date) and **Mortgage Sale Agreements** shall be construed accordingly.
N Covered Bond	A Registered Covered Bond in definitive form made out in the name of a specified N Covered Bondholder issued or to be issued by the Issuer in accordance with the provisions of the Agency Agreement, in the form of a German "*Namensschuldverschreibung*" substantially in the form set out in Schedule 6 to the Trust Deed with such modifications (if any) as may be agreed between the Issuer, the LLP, the Bond Trustee and the relevant N Covered Bondholder and having the N Covered Bond Conditions applicable to it annexed thereto and subject to the provisions of the N Covered Bond Agreement relating thereto.
N Covered Bond Agreement	In respect of any Series of N Covered Bonds, an agreement between the Issuer, the LLP, the Bond Trustee and the relevant N Covered Bondholder substantially in the form set out in Schedule 6 to the Trust Deed.
N Covered Bond Assignment Agreement	The assignment agreement attached to each N Covered Bond, substantially in the form set out at Schedule 6 to the Trust Deed.
N Covered Bond Conditions	The terms and conditions of each N Covered Bond annexed thereto.
N Covered Bondholder	The holder of an N Covered Bond.
NatWest	National Westminster Bank Plc (registered number 00929027) a limited company incorporated in England and Wales, whose registered office is at 250 Bishopsgate, London EC2M 4AA.

NatWest Base Rate	The base rate set from time to time by NatWest.
NatWest Group	NWG and its Subsidiaries collectively.
Negative Carry Factor	The meaning given on page 198.
New Loans	Loans, other than the Loans comprised in the Initial Portfolio, which the Seller may assign or transfer to the LLP after the First Transfer Date pursuant to the Mortgage Sale Agreement.
New Loan Type	A new type of mortgage loan originated or acquired by the Seller, which the Seller intends to transfer to the LLP, the terms and conditions of which are materially different (in the opinion of the Seller, acting reasonably) from the Loans comprised in the Initial Portfolio. For the avoidance of doubt, a mortgage loan will not constitute a New Loan Type if it differs from the Loans comprised in the Initial Portfolio due to it having different interest rates and/or interest periods and/or time periods for which it is subject to a fixed rate, capped rate, tracker rate or any other interest rate or the benefit of any discounts, cash-backs and/or rate guarantees.
New Member	Any new Member who shall be admitted to the LLP after the Initial Programme Date pursuant to the LLP Deed.
New Portfolio	The meaning given in "*The Portfolio*" on page 252.
New Portfolio Notice	A notice in the form set out in the Mortgage Sale Agreement subject to any amendment as may be agreed between the parties thereto served in accordance with the terms of the Mortgage Sale Agreement.
New Seller	Any member of the NatWest Group (other than NatWest and the Original Sellers) that is a **connected person** as defined in Regulation 5 of the RCB Regulations and that accedes to the relevant Transaction Documents and sells Loans and their Related Security to the LLP in the future.
NGCB	The meaning given on page 73.
Notice to Pay	The meaning given in Condition 9(a) (*Issuer Events of Default*) in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 126.
NWB	NatWest.
NWB Deferred Consideration	All remaining Available Revenue Receipts after payment of items (a) to (l) of the Pre-Acceleration Revenue Priority of Payments and the profit payable to the Members under item (o) of the Pre-Acceleration Revenue Priority of Payments and an amount equal to the fee payable to the Liquidation Member in accordance with item (n) of the Pre-Acceleration Revenue Priority of Payments.
NWB Flexible Choice Rate	The National Westminster Bank Public Limited Company Flexible Choice Rate, being the rate of interest so named set by NatWest by

	reference to the general level of interest rates and competitor rates in the UK mortgage market.
NWB Group	National Westminster Bank Plc and its consolidated subsidiaries' undertakings.
NWB Mortgage Sale Agreement	The mortgage sale agreement entered into on the Initial Programme Date between NWHL as a Seller as at such date, the LLP and the Security Trustee and as novated on 1 November 2012 pursuant to the Global Deed of Novation and as amended, restated, replaced, varied, novated and/or supplemented from time to time.
NWB Standard Variable Rate	One of two rates of interest so named and set by NWB by reference to the general level of interest rates and competitor rates in the UK mortgage market.
NWG	NatWest Group plc (registered number SC45551), a public limited company incorporated under the laws of Scotland, whose registered office is at 36 St. Andrew Square, Edinburgh EH2 2YB.
NWG Staff Loans	Loans made to full time permanent staff of NWG and identified as such on the GMS system.
NWHL	National Westminster Home Loans Limited (registered number 1449354) a limited company incorporated in England and Wales, whose registered office is at 250 Bishopsgate, London EC2M 4AA.
Official List	The Official List of the FCA.
Office of National Statistics	means the national statistical institute which produces the UK House Price Index in the United Kingdom.
Off-Set Loan	A Loan under which the Borrower is contractually entitled to use funds held in their linked current account or deposit accounts to reduce the interest payable on the Loan, instead of receiving interest on those funds.
OFT	The Office of Fair Trading.
Ombudsman	The Financial Ombudsman Service under the FSMA.
Organic Applications	means the mortgage applications derived from the following sources: (i) the NWG branch networks throughout the United Kingdom; (ii) a centralised telephone-based lending operation; and (iii) an online digital service.
Original Due for Payment Date	The meaning given in paragraph (a) of the definition of **Due for Payment**.
Original Sellers	Each of NWHL and RBS.
Overpayment	A payment by a Borrower in an amount greater than the Monthly Payment then due on the relevant Loan.
Partial Portfolio	Part of any portfolio of Selected Loans.

Paying Agents	The meaning given in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 91.
Payment Day	The meaning given in Condition 5(f) (*Payment Day*) in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 117 and/or, in the case of an N Covered Bond, the meaning set out under Condition 5(f) (*Payment Day*) of the relevant N Covered Bond Conditions.
Payment Holiday	A period during which a Borrower suspends payments under a Loan where the Borrower is permitted under the relevant Mortgage Conditions to do so and will not therefore be in breach of the relevant Mortgage Conditions.
Payment Holiday Loan	A Loan under which a Borrower is permitted to take a Payment Holiday.
Payment Ledger	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the credits and debits of Available Revenue Receipts and Available Principal Receipts for application in accordance with the relevant Priority of Payments.
Perfection Event	The meaning given to such term in the Mortgage Sale Agreement.
Permanent Global Covered Bond	The meaning given in the section of this Prospectus entitled "*Form of the Covered Bonds*" on page 73.
Portfolio	The Initial Portfolio and each New Portfolio acquired by the LLP.
Post-Enforcement Priority of Payments	The meaning given in the section of this Prospectus entitled "*Cashflows*" on page 234.
Potential Issuer Event of Default	The meaning given in Condition 14 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 140.
Potential LLP Event of Default	The meaning given in Condition 14 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 140.
PRA	The UK Prudential Regulation Authority.
Pre-Acceleration Principal Priority of Payments	The meaning given in the section of this Prospectus entitled "*Cashflows*" on page 226.
Pre-Acceleration Revenue Priority of Payments	The meaning given in the section of this Prospectus entitled "*Cashflows*" on page 221.
Preceding Business Day Convention	The meaning given in Condition 4(b) (*Interest on Floating Rate Covered Bonds*) in the section of this Prospectus entitled "*Terms and*

Conditions of the Covered Bonds" on page 101 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions (if applicable).

Pre-Maturity Liquidity Ledger The ledger on the relevant Deposit Account maintained by the Cash Manager pursuant to the Cash Management Agreement to record the credits and debits of monies available to repay any Series of Hard Bullet Covered Bonds on the Final Maturity Date thereof if the Pre-Maturity Test has been breached.

Pre-Maturity Test The meaning given in the section of this Prospectus entitled "*Cashflows*" on page 216.

Pre-Maturity Test Date The meaning given in the section of this Prospectus entitled "*Cashflows*" on page 216.

PRIIPs Regulation Regulation (EU) No 1286/2014, as amended.

Principal Amount Outstanding In respect of a Covered Bond 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.

Principal Ledger The ledger on the LLP Accounts of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the credits and debits of the Principal Receipts in accordance with the terms of the LLP Deed.

Principal Paying Agent The meaning given in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 91.

Principal Receipts Means:

(a) principal repayments under the Loans (including payments of arrears, Capitalised Interest and Capitalised Expenses);

(b) recoveries of principal from defaulting Borrowers under Loans being enforced (including the proceeds of sale of the relevant Property);

(c) any payment pursuant to any Insurance Policy in respect of a Property in connection with Loans in the Portfolio;

(d) the proceeds of (i) the sale of any Loans or (ii) the repurchase of any Loans by the Seller from the LLP pursuant to the Mortgage Sale Agreement (in each case other than, amounts attributable to fees, Accrued Interest and Arrears of Interest thereon as at the relevant repurchase date); and

(e) any deemed Principal Receipts.

Priorities of Payments Together, the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments, the Guarantee Priority of Payments and the Post-Enforcement Priority of Payments and **Priority of Payment** means any one of them.

PRM	The meaning given on page 80.
Product Switch	A variation to the financial terms or conditions included in the Mortgage Conditions applicable to a Loan other than: (a) any variation agreed with a Borrower to control or manage arrears on a Loan; (b) any variation in the maturity date of a Loan; (c) any variation imposed by statute or any variation in the frequency with which the interest payable in respect of the Loan is charged; (d) any variation to the interest rate as a result of the Borrowers switching to a different rate by operation of the Loan; (e) any change to a Borrower under the Loan or the addition of a new Borrower under a Loan; or (f) any change in the repayment or payment method of the Loan.
Programme	The Covered Bond programme established by, or otherwise contemplated in, the Programme Agreement and the Trust Deed.
Programme Agreement	The meaning given in the section of this Prospectus entitled "*Subscription and Sale and Transfer and Selling Restrictions*" on page 277 and as novated on 1 November 2012 pursuant to the Deed of Novation.
Programme Conditions	The conditions for the Programme as set out in Schedule 1 to the Trust Deed.
Programme Resolution	Any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 9 (*Events of Default and Enforcement*) or to direct the Bond Trustee to take, or to direct the Security Trustee to take, any such enforcement action as is referred to in Clause 10.1 or 10.2 of the Trust Deed or any Extraordinary Resolution to sanction any matter that the Trust Deed or any other Transaction Document expressly requires to be sanctioned by an Extraordinary Resolution of the Covered Bondholders of all Series taken together as a single Series.
Property	A freehold, leasehold or commonhold property (or, in Scotland, a heritable property or a property held under a long lease) which is subject to a Mortgage.
Purchaser	Any third party or the Seller to whom the LLP offers to sell Selected Loans.
QIB	A "qualified institutional buyer" within the meaning of Rule 144A.
Rating Agencies	Moody's and Fitch, and each a **Rating Agency**.

Rating Agency Confirmation A confirmation (or, in the case of Moody's, affirmation) in writing by Fitch and/or Moody's (as applicable) that the then current ratings of the Covered Bonds will not be adversely affected by or withdrawn as a result of the relevant event or matter, provided that if: (a) a confirmation or affirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and (b) a written request for such confirmation, affirmation or response is delivered to that Rating Agency by any of the LLP, the Issuer, the Cash Manager, the Servicer, the Bond Trustee and/or the Security Trustee, as applicable (each a **Requesting Party**) and one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation, affirmation or response necessary in the circumstances, the Requesting Party shall be entitled to disregard the requirement for a confirmation or affirmation of rating or other response by each Non-Responsive Rating Agency and proceed on the basis of the confirmations or affirmations of rating or other responses received by each other Rating Agency or, if all the Rating Agencies indicate that they do not consider such confirmation, affirmation or response necessary in the circumstances, on the basis that such confirmation or affirmation of rating or other response by a Rating Agency is not required in the particular circumstances of the request. If a Rating Agency does not respond to a written request for a confirmation or affirmation, such non response shall not be interpreted to mean that such Rating Agency has given any deemed confirmation or affirmation of rating or other response in respect of such action or step or any deemed indication that it does not consider such confirmation, affirmation or response necessary in the circumstances. However, nothing herein shall in any way affect the right of a Rating Agency to downgrade or withdraw its then current ratings of the Covered Bonds in a manner as it sees fit.

Rating Condition The condition that will be satisfied in respect of an event or matter if:

(a) Fitch has been notified of such event or matter; and

(b) the LLP, the Issuer, the Bond Trustee and/or the Security Trustee (as applicable), has received a Rating Agency Confirmation from Moody's in respect of such event or matter;

RBS The Royal Bank of Scotland plc, incorporated with limited liability under the laws of Scotland, whose registered office is 36 St. Andrew Square, Edinburgh EH2 2YB.

RCB Regulations The Regulated Covered Bonds Regulations 2008 (SI 2008/346) as amended by the Regulated Covered Bonds (Amendment) Regulations 2008 (SI 2008/1714), as amended by the Regulated Covered Bonds (Amendment) Regulations 2011 (SI 2011/No 2859), as amended by the Regulated Covered Bonds (Amendment) Regulations 2012 (SI 2012/No. 2977) and as further amended from time to time.

RCB Sourcebook The Regulated Covered Bond Sourcebook published by the FSA on 6 March 2008, as amended, revised or supplemented from time to

	time.
Reasonable, Prudent Mortgage Lender	The Seller and/or the Servicer, as applicable, acting in accordance with the standards of a reasonably prudent residential mortgage lender lending to borrowers in England, Wales and/or Scotland who generally satisfy the lending criteria of traditional sources of residential mortgage capital.
Record Date	The meaning given in Condition 5(d) (*Payments in respect of Registered Covered Bonds*) in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 116 and/or, in the case of an N Covered Bond, the meaning set out in the relevant N Covered Bond Conditions.
Redeemed Covered Bonds	The meaning given in Condition 6(c) (*Redemption at the option of the Issuer (Issuer Call)*) in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 120.
Register	The register of holders of the Registered Covered Bonds maintained by the Registrar.
Registered Covered Bonds	Covered Bonds in registered form.
Registered Definitive Covered Bond	Means (a) each N Covered Bond and (b) each other Registered Covered Bond in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and the Trust Deed either on issue or in exchange for a Registered Global Covered Bond or part thereof (all as indicated in the applicable Final Terms), such Registered Covered Bond in definitive form being in the form or substantially in the form set out in Part 8 of Schedule 2 to the Trust Deed with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference (where applicable to the Trust Deed) as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and having a form of transfer endorsed thereon
Registered Global Covered Bonds	The Rule 144A Global Covered Bonds, together with the Regulation S Global Covered Bonds.
Registers of Scotland	The Land Register of Scotland and/or the General Register of Sasines.
Registrar	Citibank, N.A., London Branch in its capacity as registrar (and any additional or successor registrar).
Regulated Mortgage Contract	The meaning given in "*Further Information Relating to the Regulation of Mortgages in the UK*" on page **237**.

Regulation S	Regulation S under the Securities Act.
Regulation S Covered Bonds	The meaning given in the section of this Prospectus entitled "*Subscription and Sale and Transfer and Selling Restrictions*" on page 281.
Related Security	In relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Portfolio which has been sold to the LLP pursuant to the Mortgage Sale Agreement or is, or is to be, sold to (or held on trust for) the LLP pursuant to the Mortgage Sale Agreement including (without limitation): (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent and Deeds of Postponement) from occupiers and other persons having an interest in or rights in connection with the relevant Property or third parties; (b) each right of action of the Seller against any person (including, without limitation, any valuer, licensed conveyancer, solicitor and any registrar or registry) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan; and (c) the benefit of (including, without limitation, the rights as the insured person under and pursuant to notations of interest on, returns of premium and proceeds of claims under) insurance and assurance policies deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and Loan Files.
Relevant Date	The meaning given in Condition 7 (*Taxation*) in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 124 and/or, in the case of an N Covered Bond, the meaning set out in Condition 6.1 of the relevant N Covered Bond Conditions.
Re-Mortgage	A Loan granted and secured over a Property as a replacement to an existing mortgage loan advanced to the Borrower by another lender and secured over the same Property.
Representations and Warranties	The representations and warranties set out in Schedule 1 (*Representations and Warranties*) to the Mortgage Sale Agreement, which are made by the Seller.
Repurchase Notice	A notice from the Cash Manager to the Seller identifying a Loan or its Related Security in the Portfolio which does not, as at the relevant Transfer Date or relevant Calculation Date (in the case of an

Additional Loan Advance), materially comply with the Representations and Warranties set out in the Mortgage Sale Agreement.

Requesting Party The meaning given in Condition 14 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 139.

Required Coupon Amount The meaning given in the section of this Prospectus entitled "*Summary of the Principal Documents*" on page 194.

Required Redemption Amount The meaning given in the section of this Prospectus entitled "*Summary of the Principal Documents*" on page 184.

Required True Balance Amount The meaning given in the section of this Prospectus entitled "*Summary of the Principal Documents*" on page 201.

Reserve Fund The reserve fund that the LLP will be required to establish in the relevant Deposit Account which will be credited with part of a Term Advance (in the LLP's discretion) and the proceeds of Available Revenue Receipts up to an aggregate amount equal to the Reserve Fund Required Amount.

Reserve Fund Required Amount

(a) If the Issuer's short-term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least F1+ by Fitch and P-1 by Moody's, nil or such other amount as the Cash Manager shall direct the LLP from time to time and otherwise.

(b) The higher of:

(i) if the Issuer's short-term, unsecured, unsubordinated and unguaranteed debt obligations are not rated at least F1+ by Fitch, an amount equal to the Sterling Equivalent of amounts of interest due or estimated to be due on each Series of Covered Bonds in the immediately following three months, together with an amount equal to three-twelfths of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (c) of the Pre-Acceleration Revenue Priority of Payments, plus £7,000,000 or such other amount (not less than an amount equal to the Sterling Equivalent of one (1) month's estimated interest due on each Series of Covered Bonds together with an amount equal to one-twelfth of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (c) of the Pre-Acceleration Revenue Priority of Payments, plus £7,000,000) as notified by the Cash Manager to Fitch from time to time; and

(ii) if the Issuer's short-term, unsecured, unsubordinated and unguaranteed debt obligations are not rated at least P-1 by Moody's, an amount equal to the Sterling

	Equivalent of one (1) month's interest due or estimated to be due on each Series of Covered Bonds together with an amount equal to one-twelfth of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (c) of the Pre-Acceleration Revenue Priority of Payments plus £7,000,000.
Reserve Ledger	The ledger on the relevant Deposit Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement, to record the crediting of Revenue Receipts and (where applicable) proceeds of Term Advances to the Reserve Fund and the debiting of such Reserve Fund in accordance with the terms of the LLP Deed.
Reset Date	The meaning given in the ISDA Definitions.
Revenue Ledger	The ledger on the LLP Accounts of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record credits and debits of Revenue Receipts in accordance with the terms of the LLP Deed.
Revenue Receipts	Means: (a) payments of interest (excluding Accrued Interest and Arrears of Interest as at the relevant Transfer Date of a Loan) and other fees due from time to time under the Loans and other amounts received by the LLP in respect of the Loans other than the Principal Receipts; (b) recoveries of interest from defaulting Borrowers under Loans being enforced; (c) recoveries of interest from defaulting Borrowers under Loans in respect of which enforcement procedures have been completed; (d) any deemed Revenue Receipts; and (e) any proceeds from (i) the sale of any Loans or (ii) the repurchase of Loans, in each case representing fees, Accrued Interest and Arrears of Interest.
RFTS Effective Date	30 April 2018
Ring Fencing Transfer Scheme	The ring fencing transfer scheme under Part VII of the Financial Services and Markets Act 2000.
Rule 144A	Rule 144A under the Securities Act.
Rule 144A Global Covered Bond	A Global Covered Bond in registered form representing the Registered Covered Bonds of a Tranche sold to QIBs pursuant to Rule 144A.
Sale Proceeds	The cash proceeds realised from the sale of Selected Loans and their Related Security.

Scheduled Interest	An amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each Interest Payment Date as specified in Condition 4 (*Interest*) of the Conditions (excluding any additional amounts relating to premiums, default interest or interest upon interest (**Excluded Scheduled Interest Amounts**) payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of an LLP Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date and, if the Final Terms specified that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the Final Maturity Date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date), less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 7 (*Taxation*) of the Conditions.
Scheduled Payment Date	In relation to payments under the Covered Bond Guarantee, each Interest Payment Date or the relevant Final Maturity Date as if the Covered Bonds had not become due and repayable prior to their relevant Final Maturity Date or Extended Due for Payment Date.
Scheduled Principal	An amount equal to the amount in respect of principal which would have been due and repayable under the Covered Bonds on each Interest Payment Date or the Final Maturity Date (as the case may be) as specified in Condition 6(a) (*Final redemption*), Condition 6(c) (*Redemption at the option of the Issuer (Issuer Call)*) and Condition 6(d) (*Redemption at the option of the Covered Bondholders (Investor Put)*) of the Conditions (excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest (**Excluded Scheduled Principal Amounts**) payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of an LLP Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date and, if the Final Terms specify that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date.
Scottish Declaration of Trust	Each declaration of trust in relation to the relevant Scottish Loans and their Related Security made pursuant to the Mortgage Sale Agreement by means of which the sale of such Scottish Loans and their Related Security by the Seller to the Issuer and the transfer of the beneficial interest therein to the Issuer are given effect.
Scottish Loans	A Loan secured by a Scottish Mortgage.
Scottish Mortgage	A first priority standard security over a heritable Property or Property held under a long lease located in Scotland.

Scottish Sub-Security	The standard security to be executed pursuant to Clause 3.5 of the Deed of Charge.
Scottish Supplemental Charge	Each supplemental assignation in security granted by the LLP in favour of the Security Trustee pursuant to Clause 3.6 (*Scottish Trust Security*) of the Deed of Charge.
SEC	The U.S. Securities and Exchange Commission.
Secured Creditors	The Security Trustee (in its own capacity and on behalf of the other Secured Creditors), any Receiver or other appointee of the Security Trustee, the Bond Trustee (in its own capacity and on behalf of the Covered Bondholders), any appointee of the Bond Trustee, the Covered Bondholders, the Couponholders, the Issuer, the Seller, the Servicer, the Account Bank, the Swap Collateral Account Bank, the Cash Manager, the Swap Providers, the Corporate Services Provider, the Agents and any other person which becomes a Secured Creditor pursuant to the Deed of Charge.
Secured Obligations	Any and all monies, obligations and liabilities and all other amounts due, owing, payable or owed by the LLP which the LLP covenants and undertakes to pay and discharge pursuant to the Deed of Charge and all claims, demands or damages for breach of any such covenant, and references to Secured Obligations includes references to any of the same.
Securities Act	The United States Securities Act of 1933, as amended.
Security	The meaning given in the section of this Prospectus entitled "*Summary of the Principal Documents*" on page 213.
Security Interest	Any mortgage, sub mortgage, charge, sub charge pledge, lien (other than a lien arising in the ordinary course of business or by operation of law) or other encumbrance or security interest howsoever created or arising.
Security Trustee	Citicorp Trustee Company Limited, in its capacity as security trustee under the Trust Deed and the Deed of Charge together with any successor security trustee or additional security trustees appointed from time to time thereafter.
Selected Loan Repurchase Notice	A notice substantially in the form set out in Schedule 13 to the Mortgage Sale Agreement, and served in accordance with the terms of the Mortgage Sale Agreement.
Selected Loans	Loans and their Related Security to be sold by the LLP pursuant to the terms of the LLP Deed having in aggregate the Required True Balance Amount.
Selected Loan Offer Notice	A notice substantially in the form set out in Schedule 9 to the Mortgage Sale Agreement, and served in accordance with the terms of the Mortgage Sale Agreement.

Selection Date	The meaning given in Condition 6 (*Redemption and Purchase*) in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 120.
Seller	NatWest and any New Seller, and **Sellers** means all of them together.
Seller Arranged Policy	Any Buildings Insurance Policy arranged by the Seller for the purposes of a Borrower insuring the Property for an amount equal to the full rebuilding cost of the Property.
Seller Standard Variable Rate	The NWB Standard Variable Rate.
Series	Means (a) with respect to N Covered Bonds, each N Covered Bond made out in the name of a specific Covered Bondholder; and (b) in any other case 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) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.
Series Reserved Matter	In relation to Covered Bonds of a Series: (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 quorum or 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 holders of Covered Bonds of any Series); (e) except in accordance with Condition 6(h) (*Cancellation*) or Condition 14 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) of the Programme Conditions and, in the case of an N Covered Bond, the equivalent Condition in the N Covered Bond Conditions, the sanctioning of any such 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 holders of Covered Bonds to execute an instrument of transfer of Covered Bonds held by them in favour of the persons with or to whom the Covered Bonds are to be exchanged or sold respectively; and (f) alteration of the proviso to paragraph 5 or paragraph 6 of Schedule 4 to the Trust Deed or this definition.
Servicer	NatWest in its capacity as Servicer under the Servicing Agreement, together with any successor servicer appointed from time to time, as the context so permits.
Servicer Event of Default	The meaning given in the section of this Prospectus entitled "*Summary of the Principal Documents*" on page 189.
Servicer Termination Event	The meaning given in the section of this Prospectus entitled "*Summary of the Principal Documents*" on page 189.
Servicing Agreement	The servicing agreement entered into on the Initial Programme Date between the LLP, NWHL and RBS as Servicers and the Security Trustee, as novated on 1 November 2012 pursuant to the Deed of Novation in respect of the transfer of NWHL's role as Servicer to NatWest and as amended, restated, replaced, varied, novated and/or supplemented from time to time.
Share Trustee	CSC Corporate Services (London) Limited (formerly known as Intertrust Corporate Services Limited) having its registered office at 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU
SOFR	Secured Overnight Financing Rate
SONIA	Sterling Overnight Index Average.
SONIA Screen Page	The Reuters Screen SONIA Page (or, if such page is no longer available, any replacement or successor page showing the relevant information).
SONIA Spot Rate	With respect to publication on any London Business Day, the daily SONIA rate published on such London Business Day (and relating to the immediately preceding London Business Day) as provided by the administrator of SONIA to authorised distributors and as then published on the SONIA Screen Page (or, if the SONIA Screen Page is unavailable as otherwise published by such authorised distributors).
Specified Currency	Subject to any applicable legal or regulatory restrictions, euro, Sterling, U.S. dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Principal Paying Agent and the Bond Trustee and specified in the applicable Final Terms.

Specified Denomination	In respect of a Series of Covered Bonds, the denomination or denominations of such Covered Bonds specified in the applicable Final Terms.
Specified Interest Payment Date	If applicable, as specified in the applicable Final Terms.
Specified Period	If applicable, as specified in the applicable Final Terms.
Standard Documentation	The standard documentation, annexed to the relevant exhibit of the Mortgage Sale Agreement or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender.
Sterling Equivalent	In relation to a Term Advance or a Series of Covered Bond which is denominated in (a) a currency other than Sterling, the Sterling equivalent of such amount ascertained using the relevant Covered Bond Swap Rate relating thereto and (b) Sterling, the amount in Sterling applicable thereto.
Subsidiary	Any company which is for the time being a subsidiary (within the meaning of section 1159 of the Companies Act 2006 of Great Britain).
Substitution Assets	Each of: (a) Sterling gilt-edged securities; (b) Sterling demand or time deposits, provided that in all cases such investments have a remaining period to maturity of one (1) year or less and the short-term unsecured, unguaranteed and unsubordinated debt obligations or, as applicable, the long-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) are rated P-1/Aa3 by Moody's and AA-/F1+ by Fitch or their equivalents by two (2) other internationally recognised rating agencies; and (c) Sterling denominated government and public securities, as defined from time to time in accordance with the RCB Regulations, provided that such investments have a remaining period to maturity of one (1) year or less and which are rated at least Aaa by Moody's and F1+ by Fitch or their equivalents by two (2) other internationally recognised rating agencies, provided in each case that such Substitution Assets comply with the requirements of Regulation 2(1A) of the RCB Regulations.
sub-unit	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, €0.01.
Successor in Business	The meaning given in Condition 14 (*Meetings of Covered*

	Bondholders, Modification, Waiver and Substitution) of the "*Terms and Conditions of the Covered Bonds*" on page 140.
Swap Agreements	The Covered Bond Swap Agreement(s) together with the Interest Rate Swap Agreement, and each a **Swap Agreement**.
Swap Collateral	At any time, any asset specified in the relevant Swap Agreement which is delivered or transferred by a Swap Provider to the LLP as collateral to secure the performance by such Swap Provider of its obligations under the relevant Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed.
Swap Collateral Account	One or more Swap Collateral Cash Accounts and/or Swap Collateral Custody Accounts, as the context may require.
Swap Collateral Account Bank	Citibank, N.A., London Branch in its capacity as such under the Swap Collateral Account Agreement together with any successor, additional or replacement account bank or any additional or alternative account bank appointed by the LLP from time to time pursuant to a relevant bank account agreement entered into by (among others) the LLP, the relevant successor, additional, replacement or alternative account bank and the Security Trustee.
Swap Collateral Account Bank Agreement	The swap collateral account bank agreement dated on or about the date of this Prospectus (and as further amended and restated from time to time) between the LLP, the Swap Collateral Account Bank, the Cash Manager and the Security Trustee.
Swap Collateral Cash Account	The meaning given on page 212.
Swap Collateral Custody Account	The meaning given on page 213.
Swap Collateral Excluded Amounts	At any time, the amount of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the LLP, including any Swap Collateral which is to be returned to the relevant Swap Provider from time to time in accordance with the terms of the relevant Swap Agreements and ultimately upon termination of the relevant Swaps.
Swap Collateral Ledger	The ledger (including any sub-ledgers) maintained by the Cash Manager pursuant to the Cash Management Agreement on any Swap Collateral Account, to record the crediting of any Swap Collateral and any debiting of the same.
Swap Provider Default	The occurrence of an Event of Default or Termination Event (each as defined in each of the relevant Swap Agreements) where the relevant Swap Provider is the Defaulting Party or the sole Affected Party (each as defined in the relevant Swap Agreement), as applicable, other than a Swap Provider Downgrade Event.

Swap Provider Downgrade Event	The occurrence of an Additional Termination Event or an Event of Default (each as defined in the relevant Swap Agreement) following a failure by the Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the relevant Swap Agreement.
Swap Providers	Each Covered Bond Swap Provider and the Interest Rate Swap Provider, and each a **Swap Provider**.
Swap Provider Tax Payment	The meaning given in Clause 17.5 (*Termination Payments, indemnities and tax credits received in respect of swaps, premiums received in respect of replacement swaps*) of the LLP Deed.
Swaps	The Covered Bond Swaps together with the Interest Rate Swaps, and each a **Swap**.
T2	Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system
Talons	The meaning given in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 92.
Tax Credit	The meaning given to it in the relevant Swap Agreement.
TEFRA	The United States Tax Equity and Fiscal Responsibility Act of 1982.
TEFRA C	U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended).
TEFRA D	U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended).
Temporary Global Covered Bond	The meaning given in the section of this Prospectus entitled "*Form of the Covered Bonds*" on page 73.
Term Advance	Each term advance made by the Issuer to the LLP from the proceeds of Covered Bonds pursuant to the Intercompany Loan Agreement.
Third Party Amounts	Each of: (a) payments of insurance premiums, if any, due to the Seller in respect of any Seller Arranged Policy to the extent not paid or payable by the Seller (or to the extent such insurance premiums have been paid by the Seller in respect of any Further Advance which is not purchased by the Seller to reimburse the Seller); (b) amounts under an unpaid direct debit which are repaid by the Seller to the bank making such payment if such bank is unable to recoup that amount itself from its customer's account; (c) amounts paid to the Seller by way of a cheque which the Seller is unable to recoup from the payee, or which cheque is

dishonoured for any reason whatsoever;

(d) payments by the Borrower of any fees and other charges which are due to the Seller;

(e) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to any of that Borrower or the Seller or the LLP;

(f) any amounts due or arising from any overpayment by any person or arising from any reimbursement by any person of any such overpayment (including, for the avoidance of doubt, where arising from the failure of a direct debit);

(g) (subject to any right to refuse or withhold payment or of set-off that has arisen by reason of the Borrower's breach of the terms of the relevant Mortgage or Loan) any amount payable to a Borrower under the terms of the Mortgage or the Loan to which that Borrower is a party (other than a Further Advance);

(h) any amounts owed to the Seller pursuant to Clause 6 (*Trust of Monies*) of the Mortgage Sale Agreement;

(i) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to any of that Borrower or the Seller or the LLP, which amounts may be paid daily from monies on deposit in the LLP Accounts; and

(j) any amounts representing overpayments made on behalf of a Borrower by the Department of Work and Pensions which the Department of Work and Pensions subsequently seeks to recover.

Title Deeds In relation to each Loan and its Related Security and the Property relating thereto, all conveyancing deeds and documents which make up the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the Borrower of the related Mortgage.

Tracker Rate The meaning given in the section of this Prospectus entitled "*The Loans*" on page 153.

Tracker Rate Loan Loans to the extent that and for such period that the relevant Mortgage Conditions provide that they are subject to an interest rate which is linked to a variable interest rate other than the Seller Standard Variable Rate.

Tranche Covered Bonds (other than N Covered Bonds) which are identical in all respects (including as to listing).

Transaction Account The account designated as such in the name of the LLP held with the

Account Bank and maintained subject to the terms of the Bank Account Agreement and the other Transaction Documents and/or such other replacement or additional accounts as may for the time being be held in the name of the LLP in accordance with the terms of the Transaction Documents and designated as such and where the context requires, in a Bank Account Agreement, and references to **Transaction Account** shall be deemed to be references to any additional or replacement account held in the name of the LLP.

Transaction Documents Means:

(a) Mortgage Sale Agreement;

(b) each Scottish Declaration of Trust;

(c) Servicing Agreement;

(d) Asset Monitor Agreement;

(e) Intercompany Loan Agreement;

(f) LLP Deed;

(g) Cash Management Agreement;

(h) Interest Rate Swap Agreement;

(i) each Covered Bond Swap Agreement;

(j) Bank Account Agreement;

(k) Corporate Services Agreement;

(l) Deed of Charge (and any documents entered into pursuant to the Deed of Charge, including without limitation each Scottish Supplemental Charge and Scottish Sub-Security);

(m) Trust Deed;

(n) Agency Agreement;

(o) Swap Collateral Account Bank Agreement;

(p) Custody Agreement;

(q) Programme Agreement;

(r) each set of Final Terms ((i) as applicable in the case of each issue of listed Covered Bonds subscribed pursuant to a subscription agreement; and (ii) in respect of any Series of N Covered Bonds);

(s) each Subscription Agreement (as applicable in the case of each issue of listed Covered Bonds subscribed pursuant to a subscription agreement);

(t) Master Definitions and Construction Agreement; and

(u) each document, agreement or indenture ancillary or supplemental to any of the documents specified in paragraphs (a) to (t) (inclusive) above;

and any other agreement or document from time to time designated as such by the Issuer, the LLP and the Bond Trustee and/or the Security Trustee;

Transfer Agent The meaning given in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 92.

Transfer Date Each of the First Transfer Date and the date of transfer of any New Portfolio to the LLP in accordance with the Mortgage Sale Agreement.

True Balance For any Loan as at any given date, the aggregate (but avoiding double counting) of:

(a) the Initial Advance;

(b) Capitalised Expenses;

(c) Capitalised Interest; and

(d) any increase in the principal amount of a Loan due to any Additional Loan Advance and/or Flexible Loan Drawing,

in each case relating to such Loan less any prepayment, repayment or payment of the foregoing made on or prior to that date.

Trust Deed The meaning given in the section of this Prospectus entitled "*Terms and Conditions of the Covered Bonds*" on page 91.

UCITS Directive The meaning given on page 67.

UK Benchmarks Regulation Regulation (EU) 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018

UK CRA Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the EUWA.

UK EMIR Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 as it forms part of domestic law by virtue of the EUWA (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators), as amended or supplemented from time to time.

UK House Price Index means the index of increases or decreases in house prices in relation to residential properties in the United Kingdom, as published by the Office for National Statistics.

UK House Price Indexed Valuation	means, in relation to any Property, the Latest Valuation of that Property increased or decreased as appropriate by the increase or decrease in the UK House Price Index since the date of that Latest Valuation.
Underpayment	A payment by a Borrower in an amount less than the Monthly Payment then due on the Loan.
UTCCR	Unfair Terms in Consumer Contracts Regulations 1999 as amended and the Unfair Terms in Consumer Contracts Regulations 1994.
Valuation Report	The valuation report or reports for mortgage purposes, in the form of one of the pro-forma reports contained in the Standard Documentation, obtained by the Seller from a Valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable, Prudent Mortgage Lender and which has been approved by the relevant officers of the Seller.
Valuer	An Associate or Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers who was at the relevant times either a member of a firm which was on the list of Valuers approved by or on behalf of the Seller from time to time or an Associate or Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers employed in-house by the Seller in respect of the valuation of a Property.
Variable Rate Flexible Loan	Any Loan, the rate of interest on which is set in accordance with the NWB Flexible Choice Rate or such other flexible rate employed by the Seller from time to time.
Variable Rate Loans	Those Loans to the extent that and for such period that their Mortgage Conditions provide that they are subject to a rate of interest which may at any time be varied in accordance with the relevant Mortgage Conditions (and shall, for the avoidance of doubt, exclude Loans during the period that are Fixed Rate Loans, Capped Rate Loans or Tracker Rate Loans).
Yield Shortfall Test	The test as to whether the aggregate amount of interest on the Loans, together with amounts under the Interest Rate Swap Agreement due to be received by the LLP during the relevant LLP Payment Period, would give a yield on the Loans of at least 0.2% plus the SONIA Spot Rate published on the final London Business Day in the previous Calculation Period.
Zero Coupon Covered Bonds	Covered Bonds which will be offered and sold at a discount to their nominal amount and which will not bear interest.

ISSUER

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250 Bishopsgate
London EC2M 4AA

THE LLP

NatWest Covered Bonds Limited Liability Partnership
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London E14 5LB

PRINCIPAL PAYING AGENT,
REGISTRAR
AND
TRANSFER AGENT

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To the LLP and the Issuer
Ernst & Young LLP

ARRANGER AND DEALER

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