

EXECUTION VERSION

ISSUANCE FACILITY AGREEMENT

DATED 26 JUNE 2014

RETAIL CHARITY BONDS PLC

**£1,000,000,000
RETAIL BOND FACILITY**

ALLEN & OVERY

Allen & Overy LLP

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THIS AGREEMENT is dated 26 June 2014

BETWEEN:

- (1) **RETAIL CHARITY BONDS PLC** (the **Issuer**);
- (2) **ALLIA BOND SERVICES LTD.** (the **Origination Manager, Loan Management Servicer and Administration Services Provider**); and
- (3) **CANACCORD GENUITY LIMITED** (the **Initial Dealer**).

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

2010 PD Amending Directive means Directive 2010/73/EU;

Agency Agreement means the agreement dated 26 June 2014 between the Issuer, the Trustee, the Agent and the other Paying Agents, the Registrar and the Transfer Agents referred to in it under which, amongst other things, the Agent is appointed as issuing agent and principal paying agent for the purposes of the Facility;

Agent means The Bank of New York Mellon, London Branch as Agent under the Agency Agreement and any successor agent appointed in accordance with the Agency Agreement;

Agreement Date means, in respect of any Bond, the date on which agreement is reached for the issue of such Bond as contemplated in clause 2 which shall be the date on which the Subscription Agreement is signed by or on behalf of all the parties to it;

Agreements means, in relation to each Tranche of Bonds, the Facility Documents and the Issue Agreements relating to such Tranche of Bonds;

Arranger means Canaccord Genuity Limited and any other entity appointed as an arranger for the Facility or in respect of any particular issue of Bonds under the Facility and references in this Agreement to the **Arranger** shall be references to the relevant Arranger;

Bond means a Bond issued or to be issued by the Issuer under the Facility, which Bond may be represented by a Global Bond or be in definitive form;

Closing Bank means the closing bank as agreed between the Issuer, the Registrar, the Agent and the relevant Dealer or, if there is one, the Lead Manager to which the relevant Dealer or, if there is one, the Lead Manager shall pay the net purchase moneys for an issue of Bonds;

Commitment Agreement means, in relation to each Tranche of Bonds, an agreement in or substantially in the form set out in Appendix 5 or in some other form as may be agreed between the Issuer, the Lead Manager and the other parties thereto;

Confirmation Letter means the Confirmation Letter substantially in the form set out in Part 2 of Appendix 2;

Dealer means the Initial Dealer (including Canaccord Genuity Limited in its capacity as Arranger) and any New Dealer and excludes any entity whose appointment has been terminated pursuant to clause 11, and references in this Agreement to the **relevant Dealer** shall, in relation to any Bond, be references to the Dealer or Dealers with whom the Issuer has agreed the issue and purchase of such Bond;

Dealer Accession Letter means the Dealer Accession Letter substantially in the form set out in Part 1 of Appendix 2;

Exchange Act means the United States Securities Exchange Act of 1934;

Facility means the £1,000,000,000 Retail Bond Facility established on 26 June 2014;

Facility Documents means each of this Issuance Facility Agreement, the Trust Deed (excluding, for this purpose, any Supplemental Trust Deed), the Agency Agreement and the Services Agreement;

FCA means UK Financial Conduct Authority or any successor thereto or replacement thereof designated as the competent authority in the United Kingdom for the purposes of the Prospectus Directive;

FSMA means the Financial Services and Markets Act 2000;

Initial Documentation List means the lists of documents set out in Appendix 1;

Issue Agreements means, in relation to each Tranche of Bonds, the Subscription Agreement, the Commitment Agreement, the Supplemental Trust Deed and the Loan Agreement relating to such Tranche of Bonds;

Launch Date means, in relation to each Tranche of Bonds, the date on which the Prospectus is approved by the UK Listing Authority;

Lead Manager means, in relation to any Tranche of Bonds, the person named as the Lead Manager in the applicable Subscription Agreement;

Loan Agreement means, in relation to each Tranche of Bonds, the agreement specified as such in the applicable Prospectus;

London Stock Exchange means the London Stock Exchange plc or any other body to which its functions have been transferred;

New Dealer means any entity appointed as an additional Dealer in accordance with clause 12;

Official List has the meaning given to that term in section 103 of the FSMA;

Procedures Memorandum means the Operating and Administrative Procedures Memorandum dated 26 June 2014 as amended or varied from time to time including, in respect of any Tranche, by agreement between the Issuer and the relevant Dealer or Lead Manager with the approval of the Agent;

Prospectus means the Prospectus prepared in connection with each Tranche of Bonds and constituting a base prospectus for the purposes of Article 5.3 of the Prospectus Directive as revised, supplemented or amended from time to time by the Issuer, including any documents which are from time to time incorporated in that Prospectus by reference;

Prospectus Directive means Directive 2003/71/EC as amended (which includes the amendments made by the 2010 PD Amending Directive to the extent that such amendments have been implemented in a Member State of the European Economic Area);

Prospectus Rules means, in the case of Bonds which are to be listed on the London Stock Exchange, the prospectus rules made under the FSMA;

Registrar means The Bank of New York Mellon, London Branch as Registrar appointed under the Agency Agreement and any successor or additional registrar appointed in accordance with the Agency Agreement;

Relevant Party means each Dealer, each of their respective affiliates and each person who controls them (within the meaning of section 15 of the Securities Act or section 20 of the Exchange Act) and each of their respective directors, officers, employees and agents;

Sanctions means any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other agency of the U.S. Government, the United Nations, the European Union or Her Majesty's Treasury;

Securities Act means the United States Securities Act of 1933;

Stock Exchange means the London Stock Exchange or any other stock exchange on which any Bonds may from time to time be listed, and references in this Agreement to the **relevant Stock Exchange** shall, in relation to any Bonds, be references to the stock exchange or stock exchanges on which the Bonds are from time to time, or are intended to be, listed;

Subscription Agreement means an agreement supplemental to this Agreement (by whatever name called) in or substantially in the form set out in Appendix 4 or in such other form as may be agreed between the Issuer and the Lead Manager or one or more Dealers (as the case may be);

Supplemental Trust Deed means, in relation to each Tranche of Bonds, a deed supplemental to the Trust Deed constituting security in respect of such Tranche of Bonds;

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest);

Tax Deduction means a deduction or withholding for or on account of any present or future Tax from a payment under this Agreement;

Trust Deed means the Master Trust Deed dated 26 June 2014 between the Issuer and the Trustee under which Bonds will, on issue, be constituted and which sets out the terms and conditions on which the Trustee has agreed to act as trustee and includes any trust deed or other document executed by the Issuer and the Trustee in accordance with the provisions of the Master Trust Deed and expressed to be supplemental to the Master Trust Deed (including, in relation to a Tranche of Bonds, the Supplemental Trust Deed relating to that Tranche);

Trustee means Prudential Trustee Company Limited and any other trustee or trustees for the time being for the holders of the Bonds appointed in accordance with the Trust Deed;

UK Listing Authority means the FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA; and

VAT means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature, whether chargeable in a member state of the European Union or elsewhere.

- 1.2 (a) In this Agreement, unless the contrary intention appears, a reference to:
- (i) an amendment includes a supplement, restatement or novation and amended is to be construed accordingly;
 - (ii) a person includes any individual, company, unincorporated association, government, state agency, international organisation or other entity;
 - (iii) a provision of a law is a reference to that provision as extended, amended or re-enacted;
 - (iv) a clause or appendix is a reference to a clause of, or an appendix to, this Agreement;
 - (v) a person includes its successors and assigns;
 - (vi) a document is a reference to that document as amended from time to time; and
 - (vii) a time of day is a reference to London time;
- (b) the headings in this Agreement do not affect its interpretation;
- (c) terms defined in the Trust Deed, the Agency Agreement, the applicable Conditions and/or the applicable Prospectus and not otherwise defined in this Agreement shall have the same meanings in this Agreement, except where the context otherwise requires;
- (d) all references in this Agreement to Euroclear and/or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Agent;
- (e) as used herein, in relation to any Bonds which are to have a "listing" or to be "listed" (i) on the London Stock Exchange, **listing** and **listed** shall be construed to mean that such Bonds have been admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market and (ii) on any other Stock Exchange in a jurisdiction within the European Economic Area, **listing** and **listed** shall be construed to mean that Bonds have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC); and
- (f) references in this Agreement to a Directive include any relevant implementing measure of each Member State of the European Economic Area which has implemented such Directive.

2. AGREEMENTS TO ISSUE AND PURCHASE BONDS

- 2.1 Subject to the terms and conditions of this Agreement, the Issuer may from time to time agree with any Dealer to issue, and any Dealer may agree to purchase, Bonds.
- 2.2 Unless otherwise agreed between the parties, on each occasion on which the Issuer and any Dealer agree on the terms of the issue by the Issuer and purchase by the Dealer of one or more Bonds:
- (a) the Issuer shall cause the Bonds to be issued and delivered on the agreed Issue Date to a common depositary for Euroclear and Clearstream, Luxembourg on the agreed Issue Date;
 - (b) the Issuer shall, on or before the Issue Date:

- (i) execute and deliver, and procure that each of the other parties thereto executes and delivers, the Issue Agreements;
 - (ii) deliver to the Trustee originals of the Issue Agreements; and
 - (iii) procure the issue to the Trustee and the relevant Dealer of such legal opinions as they may require and in a form satisfactory to each of them;
- (c) the securities account of the relevant Dealer (in the case of Bonds issued on a syndicated basis) or the Agent (in the case of Bonds issued on a non-syndicated basis) with Euroclear and/or Clearstream, Luxembourg (as specified by the relevant Dealer) will be credited with the Bonds on the agreed Issue Date, as described in the Procedures Memorandum; and
- (d) the relevant Dealer or, as the case may be, the Lead Manager shall, subject to the Bonds being so credited, cause the net purchase moneys for the Bonds to be paid in Sterling by transfer of funds to the designated account of the Closing Bank so that the payment is credited to that account for value on the relevant Issue Date, as described in the Procedures Memorandum.
- 2.3 Unless otherwise agreed between the Issuer and the relevant Dealer, where more than one Dealer has agreed with the Issuer to purchase a particular Tranche of Bonds under this clause, the obligations of those Dealers shall be several.
- 2.4 Where the Issuer agrees with one or more Dealers to issue, and such Dealer agrees (or those Dealers agree) to purchase, Bonds the Issuer shall enter into a Subscription Agreement with such Dealer(s).
- 2.5 The procedures which the parties intend should apply for the purposes of issues to be subscribed on a non-syndicated basis are set out in Annex 1, Part 1 of the Procedures Memorandum. The procedures which the parties intend should apply for the purposes of issues to be subscribed on a syndicated basis are set out in Annex 1, Part 2 of the Procedures Memorandum. These procedures may be varied in respect of any issue by agreement between the parties to that issue.
- 2.6 The Issuer acknowledges that any issue of Bonds in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply may only be issued in circumstances which comply with those laws, guidelines, regulations, restrictions or reporting requirements from time to time.

3. CONDITIONS OF ISSUE; UPDATING OF LEGAL OPINIONS

3.1 First issue

Before the Issuer reaches its first agreement with any Dealer for the issue and purchase of Bonds under this Agreement, each Dealer shall have received, and found satisfactory (in its reasonable opinion), all of the documents and confirmations described in Part 1 of the Initial Documentation List. Any Dealer must notify the Arranger and the Issuer within seven London business days of receipt of the documents and confirmations described in Part 1 of the Initial Documentation List if in its reasonable opinion it considers any document or confirmation to be unsatisfactory and, in the absence of notification, each Dealer shall be deemed to consider the documents and confirmations to be satisfactory.

3.2 Each issue

The obligations of a Dealer under any agreement for the issue and purchase of Bonds made under clause 2 are conditional on:

- (a) there having been, as at the proposed Issue Date, no material adverse change or any development involving a prospective material adverse change from that set forth in the applicable Prospectus as at the relevant Agreement Date in the condition (financial or otherwise), results of operations, prospects or business affairs of the Issuer nor the occurrence of any event making untrue or incorrect any of the representations and warranties contained in clause 4;
- (b) there being no outstanding breach of any of the obligations of the Issuer under the Facility Documents and the Issue Agreements relating to any Bonds already in issue or any Bonds which has not been expressly waived by the relevant Dealer on or prior to the proposed Issue Date;
- (c) subject to clause 13, the aggregate principal amount of the Bonds to be issued, when added to the aggregate principal amount of all Bonds outstanding (as defined in the Trust Deed) on the proposed Issue Date (excluding for this purpose Bonds due to be redeemed on the Issue Date) not exceeding £1,000,000,000;
- (d) in the case of Bonds which are intended to be listed, the relevant authority or authorities having agreed to list the Bonds and, in the case of Bonds in respect of which the applicable Prospectus indicates are intended to be admitted to the electronic order book for retail bonds, the Bonds having been so admitted by the London Stock Exchange, in each case subject only to the issue of the relevant Bonds;
- (e) there having been, between the Agreement Date and the Issue Date for the Bonds, in the opinion of the relevant Dealer, no such change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the opinion of the relevant Dealer, be likely to prejudice materially the sale by the Dealer of the Bonds proposed to be issued or, where relevant, the dealing in such Bonds in the secondary market;
- (f) there being in full force and effect all governmental or regulatory resolutions, approvals or consents required for the Issuer to issue the Bonds on the proposed Issue Date and for the Issuer to fulfil its obligations under the Bonds and the Issuer having delivered to the relevant Dealer certified copies of those resolutions, approvals or consents;
- (g) the forms of the applicable Prospectus, the Issue Agreements, the applicable Global Bonds and Bonds in definitive form in relation to the relevant Tranche and the relevant settlement procedures having been agreed by the Issuer, the relevant Dealer, the Trustee, the Agent and the Registrar;
- (h) the relevant Commitment Agreement being entered into by the parties thereto on or before the Launch Date and remaining in full force and effect;
- (i) the Issue Agreements having been entered into by the parties thereto on or before the relevant Issue Date;
- (j) Sterling continuing to be accepted for settlement by Euroclear and Clearstream, Luxembourg;
- (k) the delivery to the common depository of the Global Bond representing the relevant Bonds as provided in the Agency Agreement;
- (l) any calculations or determinations which are required by the relevant Conditions to have been made prior to the Issue Date having been duly made;

- (m) no supplement to the applicable Prospectus having been prepared pursuant to subclause 5.2;
- (n) in the case of Bonds which are intended to be listed on a European Economic Area Stock Exchange (other than the London Stock Exchange) or offered to the public in a European Economic Area Member State (other than the United Kingdom) in circumstances which require the publication of a prospectus under the Prospectus Directive, the competent authority of each relevant European Economic Area Member State having been notified in accordance with the procedures set out in Articles 17 and 18 of the Prospectus Directive and all requirements under those Articles having been satisfied;
- (o) the Trustee having confirmed to the relevant Dealer and the Agent that it has received originals of the Issue Agreements in relation to such Bonds in a form satisfactory to it executed and delivered by the Issuer and each of the other relevant parties and legal opinions in relation to such Bonds in a form satisfactory to it; and
- (p) the relevant Dealer having received legal opinions in relation to such Bonds in a form satisfactory to it.

In the event that any of the above conditions is not satisfied, the relevant Dealer shall be entitled (but not bound) by notice to the Issuer to be released and discharged from its obligations under the agreement reached under clause 2.

3.3 **Waiver**

Subject to the discretion of the Lead Manager as provided in a Subscription Agreement, any Dealer, on behalf of itself only, may by notice in writing to the Issuer waive any of the conditions precedent contained in subclause 3.2 (save for the conditions precedent contained in subclauses 3.2(c) and (n) in so far as they relate to an issue of Bonds to that Dealer).

3.4 **Updating of legal opinions**

On each occasion when Bonds are issued under the Facility or amended pursuant to subclause 5.2, the Issuer will procure that further legal opinions, in such form and with such content as the Dealers may reasonably require, are delivered, at the expense of the Issuer, to the Dealers and the Trustee from legal advisers (approved by the Dealers) in England.

In addition, on such other occasions as a Dealer so requests (on the basis of reasonable grounds), the Issuer will procure that a further legal opinion or further legal opinions, as the case may be, in such form and with such content as the Dealers may reasonably require, is or are delivered, at the expense of the Issuer, to the Dealers and the Trustee from legal advisers (approved by the Dealers) in such jurisdictions (including England) as the Dealers may reasonably require. If at or prior to the time of any agreement to issue and purchase Bonds under clause 2 such a request is made with respect to the Bonds to be issued, the receipt of the relevant opinion or opinions by the relevant Dealer and the Trustee in a form satisfactory to the relevant Dealer and the Trustee shall be a further condition precedent to the issue of those Bonds to that Dealer.

The above obligations are without prejudice to the obligation of the Issuer under subclause 2.2(b), in relation to each Tranche of Bonds, to procure the issue of legal opinions in relation to such Tranche of Bonds.

4. **REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 4.1 As at the date of this Agreement, the Issuer represents, warrants and undertakes to the Dealers and each of them as follows (save that the representations set out in subclauses 4.1(y) to 4.1(cc) shall not

be made as at the date of this Agreement but shall be deemed to be made on the subsequent dates as provided in this Agreement):

- (a) that:
 - (i) the most recently published audited financial statements of the Issuer (if any) (the **audited accounts**); and
 - (ii) the most recently published unaudited interim financial statements of the Issuer (if any),

were in each case prepared in accordance with the requirements of law consistently applied and that they give a true and fair view of (i) the financial condition of the Issuer as at the date to which they were prepared (the **relevant date**) and (ii) the results of operations of the Issuer for the financial period ended on the relevant date and that there has been no material adverse change or any development involving a prospective material adverse change in the condition (financial or otherwise), results of operations, prospects or business affairs of the Issuer since the date of the last audited accounts (or, if no audited accounts have been published, the date of its incorporation);

- (b) that the Issuer has been duly incorporated and is validly existing under English law with full power and authority to conduct its business and to execute and perform its obligations under the Agreements;
- (c) that the Issuer (i) has all licences, permits, authorisations, consents and approvals, certificates, registrations and orders (**Licences**) and has made all necessary declarations and filings with all government agencies that are necessary to conduct its business and (ii) is conducting its business and operations in compliance with all applicable laws, regulations and guidelines;
- (d) that the issue of Bonds and the execution and delivery of the Agreements by the Issuer have been (or, the case of the Issue Agreements, will be on or before the Issue Date) duly authorised by the Issuer and (i) in the case of Bonds, upon due execution, issue and delivery in accordance with the Trust Deed and the Agency Agreement, will constitute, (ii) in the case of the Issue Agreements, upon due execution and (where applicable) delivery, will constitute and (iii) in the case of the Facility Documents constitute, legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms subject to the laws of bankruptcy and other laws affecting the rights of creditors generally;
- (e) that the execution and delivery of the Agreements, the issue, offering and distribution of Bonds and the performance of the terms of any Bonds and the Agreements will not infringe any law, regulation, order, rule, decree or statute applicable to the Issuer or to which its property may be subject and are not contrary to the provisions of the constitutional documents of the Issuer and will not result in any breach of the terms of, or constitute a default under, any instrument, agreement or order to which the Issuer is a party or by which the Issuer or its property is bound;
- (f) that the Issuer (i) is not in breach of the terms of, or in default under, any instrument, agreement or order to which it is a party or by which it or its property is bound and no event has occurred which with the giving of notice or lapse of time or other condition would constitute a default under any such instrument, agreement or order, (ii) is not engaged (whether as defendant or otherwise) in, nor has the Issuer knowledge of the existence of, or any threat of, any legal, arbitration, administrative, governmental or other proceedings the

result of which might relate to claims or amounts which might be material in the context of the Facility and/or the issue and offering of Bonds under the Facility or which might have or have had a material adverse effect on the financial condition, results of operations, profitability or business of the Issuer and (iii) has not taken any action nor, to the best of its knowledge or belief having made all reasonable enquiries, have any steps been taken or legal proceedings commenced for the winding up or dissolution of the Issuer;

- (g) that (i) all required consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or governmental authority have been given, fulfilled or done and (ii) no other action or thing (excluding the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done, by the Issuer for or in connection with (i) the execution, issue and offering of Bonds under the Facility and compliance by the Issuer with the terms of any Bonds issued under the Facility or (ii) the execution and delivery of, and compliance with the terms of, the Agreements;
- (h) that all corporate approvals and authorisations required by the Issuer for or in connection with (i) the execution, issue and offering of Bonds under the Facility and compliance by the Issuer with the terms of any Bonds issued under the Facility, (ii) the execution and delivery of, and compliance with the terms of, the Agreements have been obtained and are in full force and effect (or, in the case of the Commitment Agreement, will be obtained and in full force and effect on or before the Launch Date and, in the case of the Issue Agreements, will be obtained and in full force and effect on or before the Issue Date), and (iii) the publication of the applicable Prospectus have been obtained;
- (i) that the Issuer maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorisations, (ii) transactions are recorded as necessary to (A) permit preparation of financial statements in conformity with accounting rules and standards applicable to it and (B) maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorisation, and (iv) the Issuer has made and kept books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of it and provide a sufficient basis for the preparation of the Issuer's financial statements in accordance with accounting rules and standards applicable to it and the Issuer has not experienced any material difficulties with regard to (i) to (iv) above;
- (j) that neither the Issuer nor, to the knowledge of the Issuer, any director, officer, agent, employee or affiliate of the Issuer, are currently the subject of any sanctions or conducting business with any person, entity or country which is the subject of any Sanctions;
- (k) that neither the Issuer nor any director, officer, agent, employee or other person associated with or acting on behalf of the Issuer, has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of any applicable anti-bribery or anti-corruption law or regulation enacted in any jurisdiction; or made, offered or promised to make, or authorised the payment or giving of any bribe, rebate, payoff, influence payment, facilitation payment, kickback or other unlawful payment or gift of money or anything of value prohibited under any applicable law or regulation;
- (l) the operations of the Issuer are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements and money laundering statutes in the United Kingdom and of all jurisdictions in which the Issuer conducts business.

the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, **Money Laundering Laws**) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer with respect to Money Laundering Laws is pending and, to the best of the Issuer's knowledge, no such actions, suits or proceedings are threatened or contemplated;

- (m) all returns, reports or filings which ought to have been made by or in respect of the Issuer for taxation purposes have been made and to the best of the Issuer's knowledge all such returns are up to date, correct and on a proper basis and are not the subject of any material dispute with the relevant revenue or other appropriate authorities and the Issuer is not aware of any present circumstances likely to give rise to any such material dispute. The Issuer reasonably believes that the provisions for tax (if any) included in its financial statements have been calculated on a proper basis in respect of all accounting periods ended on or before the accounting reference date to which the financial statements relate for which the Issuer was then or might at any time thereafter become or have become liable. To date, the Issuer is not aware of any tax deficiency which has arisen or has been asserted against the Issuer that would be considered material in the context of the issue of the Bonds;
- (n) that it is not necessary under the laws of England and Wales that any Bondholder, Dealer or Agent or the Trustee should be licensed, qualified or otherwise entitled to carry on business in England and Wales (i) to enable any of them to enforce their respective rights under the Bonds or the Agreements, or (ii) solely by reason of the execution, delivery or performance of the Agreements or the Bonds;
- (o) that, subject as disclosed in the applicable Prospectus, no stamp, documentary, registration or other similar duty or tax is assessable or payable in the United Kingdom or other subdivision of or authority therein or thereof having power to tax, in each case in connection with the authorisation, execution or delivery of the Agreements or with the authorisation, execution, issue or delivery of the Bonds or the performance of the obligations of the Issuer under the Agreements and the Bonds;
- (p) that, subject as disclosed in the applicable Prospectus, payments of principal and interest on the Bonds will be made by the Issuer without withholding or deduction for or on account of any Taxes imposed, levied, collected, withheld or assessed by the United Kingdom or any political subdivisions or authority thereof or therein having the power to tax;
- (q) that all Bonds of each Series will, upon issue, be direct obligations of the Issuer, secured in the manner described in the Trust Deed, and will rank *pari passu* among themselves;
- (r) that none of the Issuer, its affiliates, nor any persons acting on any of their behalf, has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to the Bonds;
- (s) that the Issuer, its affiliates, and each person acting on any of their behalf have complied with the offering restrictions requirement of Regulation S under the Securities Act;
- (t) that neither the Issuer nor its affiliates will during the restricted period, except to the extent permitted under U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D), permit offers or sales of Bonds in bearer form to be made in the United States or its possessions or to United States persons, provided however, that the Issuer makes no such representation or warranty in respect of any activity undertaken by the Dealers or their affiliates in respect of the Bonds.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder;

- (u) that it does not have, and has not had since the date of its incorporation, a source of income prior to the first issuance of Bonds under this Agreement;
- (v) that the obtaining of a tax advantage for any person (other than the Issuer) is not the main or one of the main purposes of the Issuer entering into the Issue Agreement to which it is a party;
- (w) that the Issuer has not and will not carry on any business other than as described in the Agreements and any related or incidental activities;
- (x) that the Issuer is not registered (or part of any registration) for VAT;
- (y) that (i) the applicable Prospectus contains all material information with respect to the Issuer, the Loan and the Bonds to be issued pursuant to the applicable Subscription Agreement, (ii) the applicable Prospectus does not contain an untrue statement of material fact or omit to state a material fact that is necessary in order to make the statements made in the applicable Prospectus, in the light of the circumstances under which they were made, not misleading and there is no other fact or matter omitted from the applicable Prospectus which was or is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Bonds to be issued pursuant to the applicable Subscription Agreement, (iii) the summary set out in the applicable Prospectus is not misleading, inaccurate or inconsistent when read with other parts of the applicable Prospectus and provides, when read together with the other parts of the applicable Prospectus, key information (as defined in the Prospectus Directive) in order to aid investors when considering whether to invest in the Bonds to be issued pursuant to the applicable Subscription Agreement, (iv) the statements of intention, opinion, belief or expectation contained in the applicable Prospectus are honestly and reasonably made or held, and (v) all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all such statements;
- (z) that the applicable Prospectus contains all the information required by section 87A of the FSMA and otherwise complies with the Prospectus Rules and also contains all the information required by English law and regulations and otherwise complies with such law and regulations to the extent applicable to the Facility and has been published as required by the Prospectus Directive;
- (aa) that any summary in the applicable Prospectus is not misleading, inaccurate or inconsistent when read with other parts of the applicable Prospectus;
- (bb) that any translation prepared by the Issuer of the summary referred to in (w) above as required by Article 19 of the Prospectus Directive is accurate in all material respects; and
- (cc) that any summary required pursuant to Article 19(4) of the Prospectus Directive is not misleading, inaccurate or inconsistent when read with other parts of the applicable Prospectus and any translation of such summary is accurate in all material respects.

4.2 With regard to each issue of Bonds, the Issuer shall be deemed to repeat (or make, as applicable) the representations, warranties and undertakings contained in subclause 4.1 as at the Agreement Date for such Bonds (any agreement on such Agreement Date being deemed to have been made on the basis of, and in reliance on, those representations, warranties and undertakings) and as at the Issue Date of such Bonds.

- 4.3 The Issuer shall be deemed to repeat (or make, as applicable) the representations, warranties and undertakings contained in subclause 4.1 on each date on which the applicable Prospectus is revised, supplemented or amended and on each date on which the aggregate principal amount of the Facility is increased in accordance with clause 13 (provided that, other than in the case of the date on which the applicable Prospectus is revised, supplemented or amended, the representations set out in subclauses 4.1(y) to 4.1(cc) shall not be deemed to be made).
- 4.4 The representations, warranties and undertakings contained in this clause shall continue in full force and effect notwithstanding the actual or constructive knowledge of any Dealer with respect to any of the matters referred to in the representations, warranties and undertakings set out above, any investigation by or on behalf of the Dealers or completion of the subscription and issue of any Bonds.

5. UNDERTAKINGS OF THE ISSUER

5.1 Notification of material developments

- (a) In relation to each Tranche of Bonds, the Issuer shall promptly after becoming aware of the occurrence thereof notify each Dealer of:
- (i) (A) any Event of Default or any condition, event or act which would after an issue of such Tranche of Bonds (or would with the giving of notice and/or the lapse of time) constitute an Event of Default in relation to such Tranche of Bonds or (B) any breach of its representations, warranties or undertakings contained in the Agreements; and
 - (ii) any development affecting the Issuer or any of its business which is material in the context of the Facility or any issue of Bonds.
- (b) If, following the Agreement Date and before the Issue Date of the relevant Bonds, the Issuer becomes aware that any of the conditions specified in subclause 3.2 will not be satisfied in relation to that issue, the Issuer shall forthwith notify the relevant Dealer to this effect giving full details thereof. In such circumstances, the relevant Dealer shall be entitled (but not bound) by notice to the Issuer to be released and discharged from its obligations under the agreement reached under clause 2.
- (c) Without prejudice to the generality of this subclause 5.1, the Issuer shall from time to time promptly furnish to each Dealer any information relating to the Issuer which the Dealer may reasonably request.

5.2 Updating of the applicable Prospectus

- (a) In the event of (i) a significant new factor, material mistake or inaccuracy relating to the information included in the applicable Prospectus which is capable of affecting the assessment of the Bonds arising or being noted, (ii) a change in the condition of the Issuer which is material in the context of the Facility or the issue of any Bonds, or (iii) the applicable Prospectus otherwise coming to contain an untrue statement of a material fact or omitting to state a material fact necessary to make the statements contained therein not misleading or if it is necessary at any time to amend the applicable Prospectus to comply with, or reflect changes in, the laws or regulations of the United Kingdom or any other relevant jurisdiction, the Issuer shall update or make such amendments to the applicable Prospectus (following consultation with the Dealers and the relevant Dealer (if any)) by the publication of a supplement to it in a form approved by the Dealers.
- (b) When the Issuer publishes annual or interim financial statements, such annual or financial statements will be incorporated by reference in the applicable Prospectus.

5.3 Listing and public offers

In the case of Bonds which are intended to be listed on the London Stock Exchange or offered to the public in a European Economic Area Member State in circumstances which require the publication of a prospectus under the Prospectus Directive, the Issuer confirms that the applicable Prospectus will be approved as a prospectus by the FCA and that it will be published in accordance with the Prospectus Directive and that it will make or cause to be made an application for the Bonds of each Tranche to be listed on the London Stock Exchange.

If, in relation to any issue of Bonds, it is agreed between the Issuer and the relevant Dealer or the Lead Manager, as the case may be, to list the Bonds on a Stock Exchange, the Issuer undertakes to use its best endeavours to obtain and maintain the listing of the Bonds on that Stock Exchange. If any Bonds cease to be listed on the relevant Stock Exchange, the Issuer shall use its best endeavours promptly to list the Bonds on a stock exchange to be agreed between the Issuer and the relevant Dealer or, as the case may be, the Lead Manager. For the avoidance of doubt, where the Issuer has obtained the listing of Bonds on a regulated market in the European Economic Area, the undertaking extends to maintaining that listing or, if this is not possible, to obtaining listing of the relevant Bonds on another European Economic Area regulated market.

The Issuer shall comply with the rules of each relevant Stock Exchange (or any other relevant authority or authorities) and shall otherwise comply with any undertakings given by it from time to time to the relevant Stock Exchange (or any other relevant authority or authorities) in connection with the listing of any Bonds on that Stock Exchange and, without prejudice to the generality of the foregoing, shall furnish or procure to be furnished to the relevant Stock Exchange (or any other relevant authority or authorities) all the information which the relevant Stock Exchange (or any other relevant authority or authorities) may require in connection with the listing on that Stock Exchange of any Bonds.

In the case of Bonds in respect of which the applicable Prospectus indicates that the Bonds are intended to be admitted to the electronic order book for retail bonds of the London Stock Exchange plc, the foregoing obligations of the Issuer to obtain and maintain the listing of the Bonds shall extend to obtaining and maintaining admission of the Bonds to the electronic order book for retail bonds.

5.4 The Agreements

The Issuer undertakes that it will not:

- (a) except with the consent of the Dealers, terminate any of the Agreements or effect or permit to become effective any amendment to any such Agreement which, in the case of an amendment, would or might adversely affect the interests of any Dealer or of any holder of Bonds issued before the date of the amendment; or
- (b) except with the consent of the Dealers, appoint a different Trustee under the Trust Deed.

and the Issuer will promptly notify each of the Dealers of any termination of, or amendment to, any of the Agreements and of any change in the Trustee under the Trust Deed and/or the Agent or Registrar under the Agency Agreement.

5.5 Lawful compliance

The Issuer will at all times ensure that all necessary action is taken and all necessary conditions are fulfilled (including, without limitation, obtaining and, where relevant, maintaining in full force and effect all necessary permissions, consents or approvals of all relevant governmental authorities) so

that it may lawfully comply with its obligations under all Bonds and the Agreements and, further, so that it may comply with any applicable laws, regulations and guidance from time to time promulgated by any governmental and regulatory authorities relevant in the context of the Agreements and the issue of any Bonds.

5.6 **Authorised representative**

The Issuer will notify the Dealers immediately in writing if any of the persons named in the list referred to in paragraph 3 of Part 1 of the Initial Documentation List ceases to be authorised to take action on its behalf or if any additional person becomes so authorised together, in the case of an additional authorised person, with evidence satisfactory to the Dealers that such person has been so authorised.

5.7 **Sanctions**

The Issuer will ensure that proceeds raised in connection with the issue of any Bonds will not directly or indirectly be lent, contributed or otherwise made available to any person or entity (whether or not related to the Issuer) for the purpose of financing the activities of any person or entity or for the benefit of any country currently the subject of any Sanctions.

5.8 **Announcements**

The Issuer undertakes that it will not, between the Agreement Date and the Issue Date of the relevant Bonds (both dates inclusive), without the prior approval of the relevant Dealer or the Lead Manager on behalf of the Managers (where more than one Dealer has agreed to purchase a particular Tranche of Bonds), make any announcement which could have a material adverse effect on the marketability of the Bonds.

5.9 **CREST Depository Interests**

In the case of Bonds which the applicable Prospectus specifies that such Bonds will be made eligible for clearing through Euroclear UK & Ireland Limited (**CREST**) through the issuance of dematerialised depository interests (**CREST Depository Interests**) issued, held, settled and transferred through CREST, the Issuer undertakes that it will prepare and execute all necessary forms and documents and use all reasonable endeavours to procure that such CREST Depository Interests are issued and, if applicable, shall provide such confirmation to CREST as it may require that the Bonds are or are not (as the case may be) exempt from stamp duty and stamp duty reserve tax.

5.10 **Notification**

Within 21 days after the relevant Issue Date, the Issuer shall deliver to the Registrar of Companies particulars of the registrable charges constituted by the Trust Deed for registration in accordance with Section 860 of the Companies Act 2006 and shall forthwith upon receipt deliver a copy of the certificate of registration to each of the relevant Dealers.

6. **INDEMNITY**

- 6.1 Without prejudice to the other rights or remedies of the Dealers, the Issuer undertakes to each Dealer that if that Dealer or any Relevant Party relating to that Dealer incurs any liability, damages, cost, tax, loss or expense (including, without limitation, any amount in respect of legal fees, costs and expenses) (a **Loss**) arising out of, in connection with, or based on:

- (a) any failure by the Issuer to issue on the agreed Issue Date any Bonds which a Dealer has agreed to purchase; or
- (b) any actual or alleged breach of the representations, warranties and undertakings contained in, or made or deemed to be made by the Issuer under, this Agreement; or
- (c) any untrue or misleading (or allegedly untrue or misleading) statement in, or any omission (or alleged omission) from, the applicable Prospectus; or
- (d) any untrue or misleading (or allegedly untrue or misleading) statement in any additional written information provided by the Issuer to the Dealers under clause 7,

the Issuer shall pay to that Dealer on demand an amount equal to such Loss. No Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this subclause 6.1.

- 6.2 In case any action shall be brought against any Relevant Party in respect of which recovery may be sought from the Issuer under this clause 6, the relevant Dealer shall promptly notify the Issuer in writing but failure to do so will not relieve the Issuer from any liability under this Agreement.
- 6.3 The Issuer shall not be liable in respect of any settlement of any action effected without its consent, such consent not to be unreasonably withheld or delayed. The Issuer shall not, without the prior written consent of the relevant Dealer, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or action in respect of which recovery may be sought hereunder (whether or not the relevant Dealer is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the relevant Dealer from all liability arising out of such claim or action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of the relevant Dealer.

7. AUTHORITY TO DISTRIBUTE DOCUMENTS AND PROVIDE INFORMATION

Subject to clause 8, the Issuer authorises each of the Dealers on behalf of the Issuer to provide copies of, and to make oral statements consistent with, the applicable Prospectus (and any translation of all or any part of the applicable Prospectus or any summary drawn up pursuant to Article 19(4) of the Prospectus Directive, as the case may be) and such additional written information as the Issuer shall provide to the Dealers or approve for the Dealers to use or such other information as is in the public domain to actual and potential purchasers of Bonds.

8. DEALERS' UNDERTAKINGS

Each Dealer severally agrees to comply with the restrictions and agreements set out in the applicable Subscription Agreement unless otherwise agreed with the Issuer.

9. FEES, EXPENSES AND STAMP DUTIES

- 9.1 The Issuer undertakes that it will:
 - (a) pay to each Dealer all commissions agreed between the Issuer and that Dealer in connection with the sale of any Bonds to that Dealer;
 - (b) pay (together with an amount equal to any VAT thereon):
 - (i) the fees and expenses of its legal advisers and auditors;

- (ii) the cost of listing and maintaining the listing of any Bonds which are to be listed on a Stock Exchange (including costs associated with admission of the Bonds to the electronic order book for retail bonds);
 - (iii) all costs and expenses in connection with making Bonds eligible for clearing through CREST through the issuance of CREST Depository Interests; and
 - (iv) all expenses (not otherwise provided for in this subclause 9.1) in connection with (A) the establishment of the Facility, and (B) each future update of the Facility including, but not limited to, the preparation and printing of the applicable Prospectus, all amendments and supplements to, replacements of and each update to such documents and the cost of any publicity agreed by the Issuer;
- (c) pay (together with an amount equal to any VAT chargeable thereon in accordance with the relevant Agreements) the fees and expenses of the Trustee, the Paying Agents, the Registrar, the Transfer Agent, the Origination Manager, Loan Management Servicer and Administration Services Provider to the extent required by the Services Agreement;
 - (d) pay the fees and disbursements of the legal advisers appointed to represent the Dealers and the Trustee (together with an amount equal to any VAT thereon) in connection with the establishment of the Facility to the extent required by this Agreement or the Trust Deed;
 - (e) pay promptly, and in any event before any penalty becomes payable, any stamp, documentary, registration or similar duty or tax (including any stamp duty reserve tax) payable in connection with the entry into, performance, enforcement or admissibility in evidence of any Bond, any of the Agreements or any communication pursuant thereto and that it will indemnify each Dealer against any cost, loss or liability which that Dealer incurs in relation to such duty or tax (including any penalty or interest); and
 - (f) reimburse each Dealer for its costs and expenses reasonably and properly incurred in protecting or enforcing any of its rights under this Agreement.

10. TAXATION

The Issuer undertakes that it will:

- (a) ensure that it is at all times solely resident in the United Kingdom for tax purposes and has no branch, agency or permanent establishment outside the United Kingdom;
- (b) maintain its status as a securitisation company (as that term is defined in the Taxation of Securitisation Companies Regulations 2006, S.I. 2006/3296 (the **Securitisation Regulations**)); and
- (c) maintain a listing of the Bonds on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007).

10.2 Any amount payable under this Agreement to a Dealer is exclusive of VAT (if any). If any such amount constitutes consideration for a taxable supply for VAT purposes, the Issuer shall pay to the relevant Dealer (in addition to and at the same time as paying that amount) an amount equal to that VAT which the relevant Dealer or another member of its group is liable to account for, subject to the provision of a valid VAT invoice.

10.3 All payments by the Issuer under this Agreement shall be paid without set-off or counterclaim, and free and clear of and without any Tax Deduction, unless a Tax Deduction is required by law.

- 10.4 If a Tax Deduction is required by law to be made by the Issuer, the amount of the payment due from the Issuer will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- 10.5 The Issuer agrees to indemnify and hold the Dealers harmless against any Taxes which they are required to pay in respect of any amount paid by the Issuer under this Agreement (other than any Tax on net income, profits or gains).
- 10.6 Where under the terms of this Agreement, the Issuer is liable to indemnify or reimburse the Dealers in respect of any cost, charge, fee, disbursement, liability, damages, loss or expense, the payment shall include an amount equal to any VAT thereon.

11. TERMINATION OF APPOINTMENT OF DEALERS

The Issuer or (as to itself) a Dealer may terminate the arrangements described in this Agreement by giving not less than 30 days' written notice to the other parties. The Issuer may terminate the appointment of a Dealer or Dealers by giving not less than 30 days' written notice to such Dealer or Dealers (with a copy to all the other Dealers, the Trustee and the Agent). Termination shall not affect any rights or obligations (including but not limited to those arising under clauses 6, 8 and/or 9) which have accrued at the time of termination or which accrue thereafter in relation to any act or omission or alleged act or omission which occurred before termination.

12. APPOINTMENT OF NEW DEALERS

- 12.1 The Issuer may at any time appoint one or more New Dealers for the duration of the Facility or, with regard to an issue of a particular Tranche of Bonds, one or more New Dealers for the purposes of that Tranche, in either case upon the terms of this Agreement. Unless an appointment is made in a Subscription Agreement any appointment shall be made by:
- (a) the delivery by the New Dealer to the Issuer of an appropriate Dealer Accession Letter; and
 - (b) the delivery by the Issuer to the New Dealer of an appropriate Confirmation Letter.
- 12.2 Upon receipt of the relevant Confirmation Letter or execution of the relevant Subscription Agreement, as the case may be, each New Dealer shall, subject to the terms of the relevant Dealer Accession Letter or the relevant Subscription Agreement, as the case may be, become a party to this Agreement, vested with all authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer under this Agreement provided that, except in the case of the appointment of a New Dealer for the duration of the Facility, following the Issue Date of the relevant Tranche, the relevant New Dealer shall have no further such authority, rights, powers, duties or obligations except for any which have accrued or been incurred prior to, or in connection with, the issue of the relevant Tranche.
- 12.3 The Issuer shall promptly notify the other Dealers, the Trustee and the Agent of any appointment of a New Dealer for the duration of the Facility by supplying to them a copy of any Dealer Accession Letter and Confirmation Letter. Such notice shall be required to be given in the case of an appointment of a New Dealer for a particular Tranche of Bonds to the Trustee and the Agent only.

13. INCREASE IN THE AGGREGATE PRINCIPAL AMOUNT OF THE FACILITY

- 13.1 From time to time the Issuer may increase the aggregate principal amount of the Bonds that may be issued under the Facility by delivering to the Dealers (with a copy to the Trustee and the Agent) a letter substantially in the form set out in Appendix 3. Upon the date specified in the notice (which date may not be earlier than seven London business days after the date the notice is given) and

subject to satisfaction of the conditions precedent set out in subclause 13.2, all references in the Agreements to the Facility shall be deemed to be references to a Facility of the increased principal amount.

- 13.2 Notwithstanding subclause 13.1, the right of the Issuer to increase the aggregate principal amount of the Facility shall be subject to each Dealer having received and found satisfactory all the documents and confirmations described in Part 2 of the Initial Documentation List (with such changes as may be relevant with reference to the circumstances at the time of the proposed increase as are agreed between the Issuer and the Dealers), and the satisfaction of any further conditions precedent that any of the Dealers may reasonably require, including, without limitation, the production of any further or other documents required by the relevant authority or authorities for the purpose of listing any Bonds to be issued under the increased Facility on the relevant Stock Exchange. The Arranger shall circulate to the Dealers all the documents and confirmations described in Part 2 of the Initial Documentation List and any further conditions precedent so required. Any Dealer must notify the Arranger and the Issuer within seven London business days of receipt if it considers, in its reasonable opinion, that any of the documents, confirmations and, if applicable, further conditions precedent are unsatisfactory and, in the absence of such notification, each Dealer shall be deemed to consider the documents and confirmations to be satisfactory and any further conditions precedent to be satisfied.

14. STATUS OF THE ARRANGER

- 14.1 Each of the other Dealers agrees that the Arranger has only acted in an administrative capacity to facilitate the establishment and/or maintenance of the Facility and has no responsibility to it for (a) the adequacy, accuracy, completeness or reasonableness of any representation, warranty, undertaking, agreement, statement or information in any Prospectus, this Agreement or any information provided in connection with the Facility, or (b) the nature and suitability to it of all legal, tax and accounting matters and all documentation in connection with the Facility or any Tranche.
- 14.2 The Arranger shall have only those duties, obligations and responsibilities expressly specified in this Agreement.

15. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

16. COMMUNICATIONS

- 16.1 All communications shall be by fax or letter delivered by hand or (but only where specifically provided in the Procedures Memorandum) by telephone. Each communication shall be made to the relevant party at the fax number or address or telephone number and, in the case of a communication by fax or letter, marked for the attention of, or (in the case of a communication by telephone) made to, the person or department from time to time specified in writing by that party to the others for the purpose. The initial telephone number, fax number and person or department so specified by each party are set out in the Procedures Memorandum.
- 16.2 A communication shall be deemed received (if by fax) when an acknowledgement of receipt is received, (if by telephone) when made or (if by letter) when delivered, in each case in the manner required by this clause. However, if a communication is received after business hours on any business day or on a day which is not a business day in the place of receipt it shall be deemed to be received and become effective at the opening of business on the next business day in the place of receipt. Every communication shall be irrevocable save in respect of any manifest error in it.

- 16.3 Any notice given under or in connection with this Agreement shall be in English. All other documents provided under or in connection with this Agreement shall be:
- (a) in English; or
 - (b) if not in English, accompanied by a certified English translation and, in this case, the English translation shall prevail unless the document is a statutory or other official document.

17. BENEFIT OF AGREEMENT

- 17.1 This Agreement shall be binding on and shall inure for the benefit of the Issuer and each Dealer and their respective successors and permitted assigns.
- 17.2 A Dealer may only assign or transfer its rights or obligations under this Agreement with the prior written consent of the Issuer except for an assignment and/or transfer of all of a Dealer's rights and obligations under this Agreement in whatever form the Dealer determines may be appropriate to a partnership, corporation, trust or other organisation in whatever form that may succeed to, or to which the Dealer transfers, all or substantially all of the Dealer's assets and business and that assumes the obligations by contract, operation of law or otherwise. Upon any transfer and assumption of obligations the Dealer shall be relieved of and fully discharged from all obligations under this Agreement, whether the obligations arose before or after the transfer and assumption.

18. CALCULATION AGENT

- 18.1 In the case of any Series of Bonds which require the appointment of a Calculation Agent, the relevant Dealer or, as the case may be, the Lead Manager may request the Issuer to appoint that Dealer or Lead Manager, or a person nominated by the Dealer or Lead Manager (a **Nominee**), as Calculation Agent.
- 18.2 Should a request be made to the Issuer for the appointment of that Dealer or Lead Manager as the Calculation Agent, the appointment shall be automatic upon the issue of the relevant Series of Bonds and shall, except as agreed, be on the terms set out in the Calculation Agency Agreement set out in Schedule I to the Agency Agreement, and no further action shall be required to effect the appointment of the Dealer or Lead Manager as Calculation Agent in relation to that Series of Bonds, and the Schedule to the Calculation Agency Agreement shall be deemed to be duly annotated to include that Series. The name of the Dealer or Lead Manager so appointed will be entered in the applicable Prospectus.
- 18.3 Should a request be made to the Issuer for the appointment of a Nominee as the Calculation Agent, the Nominee shall agree with the Issuer in writing to its appointment as Calculation Agent on the terms set out in the Calculation Agency Agreement set out in Schedule I to the Agency Agreement and no further action shall be required to effect the appointment of the Nominee as Calculation Agent in relation to that Series of Bonds, and the Schedule to the Calculation Agency Agreement shall be deemed to be duly annotated to include that Series. The name of the Nominee so appointed will be entered in the applicable Prospectus.

19. NON-PETITION

None of the Bondholders, the Couponholders or the Dealers shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the issuance of the Bonds, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer in

relation thereto and provided that the Trustee may enforce the Security and appoint a receiver in accordance with Clause 4 of the Trust Deed.

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

21. GOVERNING LAW

This Agreement and every agreement for the issue and purchase of Bonds as referred to in clause 2 and any non-contractual obligations arising out of or in connection with such agreements are governed by, and shall be construed in accordance with, English law.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

APPENDIX 1

INITIAL DOCUMENTATION LIST

PART 1

1. A certified copy of the constitutional documents of the Issuer;
2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Issuer:
 - (a) to approve its entry into the Facility Documents and any Issue Agreements, the creation of the Facility and the issue of Bonds;
 - (b) to authorise appropriate persons to execute each of the Facility Documents, any Issue Agreements and any Bonds and to take any other action in connection therewith; and
 - (c) to authorise appropriate persons to enter into agreements with any Dealer on behalf of the Issuer to issue Bonds in accordance with clause 2 of this Agreement.
3. A certified list of the names, titles and specimen signatures of the persons authorised on behalf of the Issuer in accordance with paragraph 2(c).
4. Certified copies of any other governmental or other consents, authorisations and approvals required for the Issuer to issue Bonds, for the Issuer to execute and deliver the Facility Documents and any Commitment Agreements and for the Issuer to fulfil its obligations under the Facility Documents and any Issue Agreements to which it is a party.
5. Confirmation that the Global Bond (from which copies can be made for each particular issue of Bonds), duly executed by a person or persons authorised to take action on behalf of the Issuer as specified in paragraph 2(b) above, has been delivered to the Agent.
6. A legal opinion addressed to each of the Dealers and the Trustee dated on or after the date of this Agreement, in such form and with such content as the Dealers and the Trustee may reasonably require, from Allen & Overy LLP, legal advisers to the Dealers and the Trustee as to English law.
7. A conformed copy of each Facility Document and confirmation that executed copies of each Facility Document has been delivered, in the case of the Trust Deed, to the Trustee and, in the case of the Agency Agreement, to the Trustee and the Agent (for itself and the other agents party thereto).

PART 2

1. A certified copy of the constitutional documents of the Issuer or confirmation that they have not been changed since they were last submitted to the Dealers.
2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Issuer to approve the increase in the amount of the Facility.
3. Certified copies of any other governmental or other consents, authorisations and approvals required for the increase.
4. Confirmation that the Global Bond (from which copies can be made for each particular issue of Bonds), duly executed by a person or persons authorised to take action on behalf of the Issuer as specified in paragraph 2(b) of Part 1 of the Initial Documentation List, has been delivered to the Registrar.
5. A legal opinion addressed to each of the Dealers and the Trustee dated on or after the date of this Agreement, in such form and with such content as the Dealers and the Trustee may reasonably require, from Allen & Overy LLP, legal advisers to the Dealers and the Trustee as to English law.

APPENDIX 2

FORMS OF DEALER ACCESSION LETTER AND CONFIRMATION LETTER

PART 1

FORM OF DEALER ACCESSION LETTER

[Date]

To: RETAIL CHARITY BONDS PLC
(the **Issuer**)

Dear Sirs,

RETAIL CHARITY BONDS PLC
£1,000,000,000 Retail Bond Facility

We refer to the Issuance Facility Agreement dated 26 June 2014 entered into in respect of the above Facility and made between the Issuer and the Dealers party to it (which agreement, as amended, supplemented or restated from time to time, is referred to as the **Issuance Facility Agreement**).

We confirm that we are in receipt of the following documents:

- (a) a copy of the Issuance Facility Agreement; and
- (b) a copy of current versions of all other documents delivered under Appendix 1 to the Issuance Facility Agreement as we have requested,

and have found them to our satisfaction.

For the purposes of the Issuance Facility Agreement, our notice details are as follows:

[insert name, address, telephone, facsimile and attention].

In consideration of the appointment by the Issuer of us as a Dealer under the Issuance Facility Agreement we undertake, for the benefit of the Issuer and each of the other Dealers, that we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Issuance Facility Agreement.

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with, English law.

Yours faithfully,
[Name of New Dealer]

By:

cc: Prudential Trustee Company Limited as Trustee
The Bank of New York Mellon, London Branch as Agent
The other Dealers

PART 2

FORM OF CONFIRMATION LETTER

[Date]

To: *[Name and address of New Dealer]*

Dear Sirs,

RETAIL CHARITY BONDS PLC
£1,000,000,000 Retail Bond Facility

We refer to the Issuance Facility Agreement dated 26 June 2014 (which agreement, as amended, supplemented or restated from time to time, is referred to as the **Issuance Facility Agreement**) entered into in respect of the above Facility and acknowledge receipt of your Dealer Accession Letter to us dated *[specify]*.

We confirm that, with effect from today's date, you shall become a Dealer under the Issuance Facility Agreement in accordance with subclause 12.2 of the Issuance Facility Agreement.

Yours faithfully,

RETAIL CHARITY BONDS PLC

By:

cc: Prudential Trustee Company Limited as Trustee
The Bank of New York Mellon, London Branch as Agent
The other Dealers

APPENDIX 3

LETTER REGARDING INCREASE IN THE PRINCIPAL AMOUNT OF THE FACILITY

[Date]

To: The Dealers
(as defined in the
Issuance Facility Agreement dated 26 June 2014
as amended, supplemented or restated from
time to time (the **Issuance Facility Agreement**))

Dear Sirs,

RETAIL CHARITY BONDS PLC
£1,000,000,000 Retail Bond Facility

We require, pursuant to subclause 13.1 of the Issuance Facility Agreement, that the aggregate principal amount of the above Facility be increased to £[specify] from [specify date which is no earlier than seven London business days after the date the notice is given] whereupon (but subject as provided in the next paragraph) all references in the Agreements will be deemed amended accordingly.

We understand that this increase is subject to the satisfaction of the condition set out in subclause 13.2 of the Issuance Facility Agreement, namely that each Dealer shall have received and found satisfactory all the documents and confirmations described in Part 2 of the Initial Documentation List (with such changes as may be relevant, with reference to the circumstances at the time of the proposed increase, as are agreed between the Issuer and the Dealers) and the delivery of any further conditions precedent that any of the Dealers may reasonably require.

You must notify the Arranger and ourselves within seven London business days of receipt by you of those documents and confirmations and, if applicable, further conditions precedent if you consider (in your reasonable opinion) that any of them are unsatisfactory and, in the absence of such notification, you will be deemed to consider such documents and confirmations to be satisfactory and such further conditions precedent to be satisfied.

Terms used in this letter have the meanings given to them in the Issuance Facility Agreement.

Yours faithfully,

RETAIL CHARITY BONDS PLC

By:

cc: Prudential Trustee Company Limited as Trustee
The Bank of New York Mellon, London Branch as Agent

APPENDIX 4

FORM OF SUBSCRIPTION AGREEMENT

RETAIL CHARITY BONDS PLC

[DESCRIPTION OF ISSUE]

[DATE]

To: [Names of Dealers]
(the **Managers**)

c/o [Name of Lead Manager]
(the **Lead Manager**)

cc: Prudential Trustee Company Limited as Trustee
The Bank of New York Mellon, London Branch as Agent
The Bank of New York Mellon, London Branch as Registrar
[Name of relevant Charity]

Dear Sirs,

Retail Charity Bonds PLC (the **Issuer**) proposes to issue *[DESCRIPTION OF ISSUE]* (the **Bonds**) under the £1,000,000,000 Retail Bond Facility established by it. The terms of the issue shall be as set out in the Prospectus dated [●] prepared in connection with the issue of the Bonds as completed by the Issue Size Announcement referred to therein.

The Issuer and the Managers have entered into agreements (the **Authorised Distributor Agreements**) relating to the distribution of the Bonds with the distributors named therein (the **Authorised Distributors**).

This Agreement is supplemental to the Issuance Facility Agreement (the **Issuance Facility Agreement**) dated 26 June 2014 made between, amongst others, the Issuer and the Dealers party thereto. All terms with initial capitals used herein without definition have the meanings given to them in the Issuance Facility Agreement.

We wish to record the arrangements agreed between us in relation to the issue:

1. This Agreement appoints each Manager which is not a party to the Issuance Facility Agreement (each a **New Dealer**) as a New Dealer in accordance with the provisions of clause 12 of the Issuance Facility Agreement for the purposes of the issue of the Bonds. Each Manager confirms that it is in receipt of the documents referenced below:
 - (a) a copy of the Issuance Facility Agreement; and
 - (b) a copy of such of the documents delivered under Appendix 1 of the Issuance Facility Agreement as it has requested.

For the purposes of the Issuance Facility Agreement the details of the Lead Manager for service of notices are as follows:

[insert name, address, telephone, facsimile and attention].

In consideration of the Issuer appointing each New Dealer as a Dealer in respect of the Bonds under the Issuance Facility Agreement, each New Dealer hereby undertakes, for the benefit of the Issuer, the Lead Manager (for itself and each of the other Dealers) and the Managers, that, in relation to the issue of the Bonds, it will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Issuance Facility Agreement, a copy of which it acknowledges it has received from the Lead Manager. The Issuer confirms that each New Dealer shall be vested with all authority, rights, powers, duties and obligations of a Dealer in relation to the issue of the Bonds as if originally named as a Dealer under the Issuance Facility Agreement provided that following the Issue Date of the Bonds each New Dealer shall have no further such authority, rights, powers, duties or obligations except for any which have accrued or been incurred prior to, or in connection with, the issue of the Bonds.

2. Subject to the terms and conditions of the Issuance Facility Agreement and this Agreement, the Issuer agrees to issue the Bonds at an issue price of [*specify*] per cent. of the aggregate nominal amount of the Bonds (the **Issue Price**) and the Managers severally agree to deliver the Bonds to the Authorised Distributors who have paid for the Bonds. For the avoidance of doubt and notwithstanding anything to the contrary contained in the Issuance Facility Agreement, the issuance of the Bonds shall not be underwritten by the Managers and the Managers shall only be obliged to subscribe and pay for the Bonds if and to the extent that they receive the funds from the Authorised Distributors for subscription of the same. The Issuer shall pay to the Managers fees of [*specify*] per cent. of the aggregate nominal amount of the Bonds (the **Management Fee**) and [*specify*] per cent. of the aggregate nominal amount of the Bonds (the **Selling Fee** and, together with the Management Fee, the **Fees**). The Managers shall be entitled to deduct the amounts representing the Fees from the proceeds payable to the Issuer for the Bonds in accordance with clause 3 below. The Management Fee shall be allocated amongst the Managers as follows: [*specify*]. The Selling Fee shall be allocated amongst the Authorised Distributors as otherwise agreed between the Managers and such Authorised Distributors.
3. The settlement procedures set out in Part [*specify*] of Annex 1 to the Procedures Memorandum shall apply as if set out in this Agreement provided that, for the purposes of this Agreement:
 - (a) the sum payable on the Issue Date shall represent the Issue Price less the Fees and less any amount payable in respect of Managers' expenses as provided in the agreement referred to in clause 4 of this Agreement;
 - (b) **Issue Date** means [*specify*] a.m. ([*specify*] time) on [*specify*] or such other time and/or date as the Issuer and the Lead Manager on behalf of the Managers may agree; and
 - (c) **Payment Instruction Date** means the Issue Date unless there is to be a pre-closing for the issue in which case it means the business day (being a day on which banks and foreign exchange markets are open for general business in London) prior to the Issue Date.
4. [The arrangements in relation to expenses have been separately agreed between the Issuer and the Lead Manager.]
5. The obligation of the Managers to deliver the Bonds is conditional upon:
 - (a) the conditions set out in subclause 3.2 (other than that set out in subclause 3.2(e)) of the Issuance Facility Agreement being satisfied as of the Payment Instruction Date (on the basis that the references therein to **relevant Dealer** shall be construed as references to the Lead Manager) and without prejudice to the aforesaid, the Prospectus dated [*specify*][, as supplemented by [],] containing all material information relating to the assets and liabilities, financial position and profits and losses of the Issuer and nothing having

happened or being expected to happen which would require the Prospectus [, as so supplemented,] to be [further] supplemented or updated; and

- (b) the delivery to the Lead Manager on the Payment Instruction Date of:
- (i) a legal opinion addressed to the Managers and the Trustee dated the Payment Instruction Date in such form and with such contents as the Lead Manager, on behalf of the Managers, may reasonably require from Allen & Overy LLP, the legal advisers to the Managers and the Trustee as to English law;
 - (ii) [a legal opinion addressed to the Managers and the Trustee dated the Payment Instruction Date in relation to UK taxation in such form and with such contents as the Lead Manager, on behalf of the Managers, may reasonably require from Allen & Overy LLP, the legal advisers to the Managers and the Trustee as to English law;]
 - (iii) a legal opinion addressed to the Managers and the Trustee dated the Payment Instruction Date, in such form and with such content as the Dealers and the Trustee may reasonably require, from [*legal advisers to the Charity*] as to English law;
 - (iv) a certificate dated the Payment Instruction Date signed by a duly authorised officer of the Issuer giving confirmation to the effect stated in subclause 5(a); and
 - (v) such other conditions precedent as the Lead Manager may require.

If any of the foregoing conditions is not satisfied on or before the Payment Instruction Date, this Agreement shall terminate on that date and the parties to this Agreement shall be under no further liability arising out of this Agreement (except for any liability of the Issuer in relation to expenses as provided in the agreement referred to in clause 4 and except for any liability arising before or in relation to termination), provided that the Lead Manager, on behalf of the Managers, may in its discretion waive any of the aforesaid conditions (other than the condition precedent contained in subclause 3.2(c) of the Issuance Facility Agreement) or any part of them.

6. The Lead Manager, on behalf of the Managers, may, by notice to the Issuer, terminate this Agreement at any time prior to payment of the net purchase money to the Issuer if in the opinion of the Lead Manager there shall have been such a change, whether or not foreseeable at the date of the Agreement, in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market and, upon notice being given, the parties to this Agreement shall (except for any liability of the Issuer in relation to expenses as provided in the agreement referred to in clause 4 of this Agreement and except for any liability arising before or in relation to termination) be released and discharged from their respective obligations under this Agreement.
7. The Issuer hereby authorises the Managers [and each financial intermediary named in or identifiable in the Prospectus (including each Specified Authorised Distributor and any Additional Authorised Distributor(s), as those terms are used in the Prospectus)] to use the Prospectus dated [] in connection with the offer and primary distribution of the Bonds in the [Public Offer Jurisdictions] specified in the [Prospectus] [and []]¹ during the [Offer Period] (as defined in the [Prospectus]).
8. ²[As at the date of this Agreement, each of [] and [] is registered with London Stock Exchange's electronic order book for retail bonds (**ORB**) as a registered market maker and agrees to

¹ Specify additional jurisdictions (if any) in which the offer is being conducted in addition to the EEA Public Offer Jurisdictions.

² Include for Bonds which are intended to be admitted to ORB where one or more of the Managers is to be appointed as an ORB market maker.

be appointed as a registered market maker through ORB in respect of the Bonds from the date of admission of the Bonds to ORB. Each of [] and [] severally agrees to use reasonable endeavours to offer a secondary market in respect of the Bonds.]

9. *[Insert selling restrictions from Prospectus]*
10. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
11. Clauses 10 and 21 of the Issuance Facility Agreement shall also apply to this Agreement as if expressly incorporated herein.
12. This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

Please confirm that this letter correctly sets out the arrangements agreed between us.

Yours faithfully,

For: **RETAIL CHARITY BONDS PLC**

By:

We confirm that this letter correctly sets out the arrangements agreed between us.

For: **[NAMES OF MANAGERS]**

By:

APPENDIX 5

FORM OF COMMITMENT AGREEMENT

RETAIL CHARITY BONDS PLC

(registered in England with its registered office at 27/28 Eastcastle Street, London W1W 8DH and with registered number 8940313)

ALLIA BOND SERVICES LTD.

in its capacity as Loan Management Servicer, Origination Manager and Administration Services Provider
(registered in England with its with its registered office at Future Business Centre, Kings Hedges Road, Cambridge, United Kingdom, CB4 2HY and with registered number 09033937)

[Insert name(s) of Manager(s)]

To: *[insert name of Charity]*

For the attention of: [●]

[insert date of Subscription Agreement]

Dear Sirs

Commitment Agreement

Pursuant to our recent conversations, Retail Charity Bonds PLC (the **Lender**) and [●] (the **Manager[s]**) hereby confirm the arrangements under which the Lender will, subject to certain conditions, make a loan available to *[insert name of Charity]* (the **Charity**) (such transaction, the **Proposed Loan Transaction**).

1. Borrower's offer to enter into Loan

The Charity hereby irrevocably offers (the **Offer**) to enter into a loan (the **Loan**) on the terms set out in paragraph 2 below. The Lender may accept the Offer at any time within the Offer Period as described in the prospectus (the **Prospectus**) dated [●] and prepared by the Lender in connection with the issue of the Related Bonds (as defined below). In consideration of the undertakings set out in paragraph 3.3 below, the Charity agrees not to revoke the Offer within the Offer Period. The terms of the Loan are described in paragraph 2 below and in a loan agreement to be dated on or around [●] (the **Loan Agreement**). The form of Loan Agreement is included as Appendix [●] of the Prospectus.

2. Terms of the Loan

2.1 The Loan shall:

- (a) bear interest at a rate specified by the Lender that is in accordance with clause [●] of the Loan Agreement set out in Appendix [●] of the Prospectus;
- (b) be in the principal amount to be agreed between the Lender and the Charity, provided that such principal amount shall be not less than [£10,000,000] and not more than the Charity's authorised borrowing limit; and

- (c) otherwise be substantially in the form set out in Appendix [●] of the Prospectus, provided, however, that where any term is set out as options in the Schedule, such term may be determined by, and in the discretion of, the Lender (subject to it falling within such range or being one of the options set out) and notified to the Charity.

For the avoidance of doubt, the principal amount of the Loan will be equal to the amount of funds that are received from the Authorised Distributors (as such term is defined in the subscription agreement to be dated the date hereof in relation to the Related Bonds (as defined below)) less amounts to be deposited into the Expense Reserve Account.

- 2.2 Pursuant to the Loan Agreement, the Charity will be required to pay the Lender the Arrangement Fee (as such term is defined in the Loan Agreement set out in Appendix [●] of the Prospectus).

3. **Acceptance of Offer subject to available funding**

- 3.1 The Lender shall (subject as provided in paragraph 4 below) be obliged to accept the Offer if it is satisfied that it is able to issue bonds (the **Related Bonds**) pursuant to its £1,000,000,000 Retail Bond Facility (the **Facility**) in such amount and with such rate of interest and other terms as it, in its sole opinion (but subject to the Charity being satisfied that the terms of the Related Bonds reflect the terms of the Loan), considers necessary in order sufficiently to fund its obligations under the Loan and any other expenses related thereto.

- 3.2 Acceptance of the Offer by the Lender shall be deemed effective upon the Lender giving notice to the Charity within the Offer Period of the same and stating the date on which the Lender and the Charity shall enter into the Loan Agreement, whereupon (subject as follows) the Lender and the Charity shall enter into the Loan Agreement on such date (which shall be the Issue Date of the Related Bonds). Entry into the Loan Agreement by the Lender shall be subject to the execution of all necessary documentation in respect of the Related Bonds by all parties thereto, receipt by each of the parties thereto of all conditions precedent set out therein and the issue of the Related Bonds.

- 3.3 In consideration of the Charity's agreement not to revoke the Offer, the Lender undertakes to use its reasonable endeavours to issue, and [each/the] Manager undertakes to use its reasonable endeavours to assist the Lender in arranging the issue of, the Related Bonds. The Lender, or [the Manager/*insert name of Lead Manager*] on its behalf, shall forthwith notify the Charity in the event that the Lender decides that it is unable to issue the Related Bonds.

- 3.4 The Charity acknowledges and agrees that (other than in respect of its obligation to use its reasonable endeavours to issue the Related Bonds and its obligation to accept the Offer if it is satisfied to the effect described in paragraph 3.1 above), the Lender does not owe, and has not assumed, any duty of care or responsibility to the Charity and owes no duty to advise the Charity as to the terms of the Loan or the suitability of the Loan for the Charity's purposes.

- 3.5 The Charity acknowledges and agrees that:

- (a) [each/the] Manager may perform various services for the Lender;
- (b) [the Manager has not/no Manager has] acted as adviser to the Charity and, in particular, has not advised the Charity as to whether to enter into this Agreement or the Loan or as to the terms of this Agreement or the Loan;
- (c) (other than in respect of the obligations of [each/the] Manager to use its reasonable endeavours to assist the Lender in arranging the issue of the Related Bonds) [neither the Manager nor any of its affiliates/no Manager nor any of their respective affiliates] (i) has assumed any obligation to the Charity under this Agreement or (ii) owes, or has assumed,

any duty of care or responsibility to the Charity or owes any duty to advise the Charity as to the terms of the Loan or the suitability of the Loan for the Charity's purposes;

- (d) [each/the] Manager and its affiliates are engaged in a range of securities trading, brokerage, investment banking and financial advisory services and may, in the ordinary course of their business (and subject to appropriate regulatory requirements) trade or otherwise enter into transactions for their own account or the account of customers, that relate to the Lender or the Charity;
- (e) it has been introduced to the Lender by the Origination Manager. Further, the Charity agrees with the Origination Manager that it will on the Issue Date pay to the Origination Manager an amount equal to [●] per cent. of the Outstanding Balance (as such term is defined in the Loan Agreement included as Appendix [●] of the Prospectus) on the Loan on the Issue Date (the **Origination Management Fee**), which may be deducted from the proceeds of the Loan; and
- (f) the Lender's obligation to accept the Offer is subject to paragraph 4.6.

3.6 The Charity further acknowledges and agrees that:

- (a) Allia Bond Services Ltd. has not acted as adviser to the Charity and, in particular, has not advised the Charity as to whether to enter into this Agreement or the Loan or as to the terms of this Agreement or the Loan; and
- (b) it has neither received advice from, nor relied upon anything said or done by, Allia Bond Services Ltd. in whatever capacity in connection with the Offer and/or the Loan, and none of Allia Bond Services Ltd., the Lender and the Manager[s] accepts any liability for any financial loss incurred as a result of alleged or actual reliance in respect of any communication from Allia Bond Services Ltd..

3.7 The Charity undertakes to answer promptly all reasonable enquiries raised by the Lender, any potential Bondholders, [each/the] Manager and/or their advisers relating to the Charity, the Loan and/or the Related Bonds and information relating to the representations and warranties in paragraph 4.1 below.

4. Representations and covenants

4.1 The Charity represents and warrants to the Lender and the Manager on the date of this Agreement as follows (save that certain representations as indicated herein shall not be made as at the date of this Agreement but shall be deemed to be made on the subsequent dates as provided in this Agreement):

- (a) that its most recently published audited financial statements were prepared in accordance with GAAP, as interpreted in accordance with SORP, consistently applied and that they give a true and fair view of the (i) the financial condition of the Charity as at the date to which they were prepared (the **relevant date**) and (ii) the results of operations of the Charity for the financial period ended on the relevant date and that there has been no material adverse change or any development involving a prospective material adverse change in the condition (financial or otherwise), results of operations, prospects or business affairs of the Charity since the date of the last audited accounts;
- (b) that (i) the Prospectus contains all material information with respect to the Charity, (ii) the Prospectus does not contain an untrue statement of material fact or omit to state a material fact that is necessary in order to make the statements made in respect of the Charity, in the light of the circumstances under which they were made, not misleading, and there is no other

fact or matter omitted from the Prospectus in respect of the Charity which was or is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Charity, (iii) the information relating to the Charity in the summary set out in the Prospectus is not misleading, inaccurate or inconsistent when read with other parts of the Prospectus and provides, when read together with other parts of the Prospectus relating to the Charity, key information (as defined in the Prospectus Directive) in order to aid investors when considering whether to invest in the Related Bonds, (iv) the statements of intention, opinion, belief or expectation in relation to the Charity contained in the Prospectus are honestly and reasonably made or held and (v) all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all such statements;

- (c) that it is a duly incorporated limited liability company validly existing under English law with full power and authority to conduct its business as described in the Prospectus and to execute and perform its obligations under this Agreement and, on the Issue Date of the Related Bonds, the Loan Agreement;
- (d) [that it [is registered as] [and/or] [is an exempt] [a] charity under English law];
- (e) that the Charity (i) has all licences, permits, authorisations, consents and approvals, certificates, registrations and orders (**Licences**) and has made all necessary declarations and filings with all government agencies that are necessary to conduct its business as described in the Prospectus and (ii) is conducting its business and operations in compliance with all applicable laws, regulations and guidelines;
- (f) that the obligations expressed to be assumed by it in this Agreement and, on the Issue Date of the Related Bonds, the Loan Agreement are legal valid binding and enforceable obligations;
- (g) that the entry into and performance by it of, and the transactions contemplated by, this Agreement and, on the Issue Date of the Related Bonds, the Loan Agreement, do not and will not conflict with (a) any law or regulation applicable to it; (b) its constitutional documents; (c) any agreement or instrument binding upon it;
- (h) that (i) all required consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or governmental authority have been given, fulfilled or done and (ii) no other action or thing (including, without limitation, the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done, by the Charity for or in connection with the Loan and the execution and delivery of, and compliance with the terms of, this Agreement and, on the Issue Date of the Related Bonds, the Loan Agreement;
- (i) that all corporate approvals and authorisations required by the Charity to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Agreement and, on the Issue Date of the Related Bonds, the Loan Agreement, have been obtained or effected and are in full force and effect;
- (j) that it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Agreement and, on the Issue Date of the Related Bonds, the Loan Agreement and the transactions contemplated by this Agreement and, on the Issue Date of the Related Bonds, the Loan Agreement;

- (k) that under the law of its jurisdiction of incorporation it is not necessary that this Agreement and, on the Issue Date of the Related Bonds, the Loan Agreement, be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax or duty be paid on or in relation to this Agreement and, on the Issue Date of the Related Bonds, the Loan Agreement, or the transactions contemplated by this Agreement and, on the Issue Date of the Related Bonds, the Loan Agreement;
- (l) that no Default (as such term is defined in the Loan Agreement included as Appendix [●] of the Prospectus) is continuing or might reasonably be expected to result from the making of the Loan;
- (m) that any factual information provided by or on behalf of the Charity in relation to this Agreement, and as at the Issue Date of the Related Bonds, the Loan Agreement, is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and nothing has occurred or been omitted from such factual information and no information has been given or withheld that results in that information being untrue or misleading in any material respect;
- (n) that insofar as they relate to the Charity, the statements contained in the Information Booklet and Advert (the **Retail Documents**) prepared in connection with the issue of the Related Bonds, are in every material particular true and accurate and not misleading, the opinions and intentions expressed in the Retail Documents on the part of the Charity are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts the omission of which would, in the context of the issue and offering of the Bonds, make any statement in the Retail Documents misleading in any material respect, and all reasonable enquiries have been made by the Charity to ascertain such facts and to verify the accuracy of all such information and statements;
- (o) that on the Issue Date of the Related Bonds, its payment obligations under the Loan Agreement rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally; and
- (p) that no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started or threatened against it or any of its subsidiaries, which, if adversely determined, might reasonably be expected to have a material adverse effect on its business or operations.

4.2 The Charity shall be deemed to repeat (or make, as applicable) the representations, warranties and undertakings contained in paragraph 4.1 on each day from, and including the date of this Agreement to, and including the Issue Date of the Related Bonds.

4.3 The representations, warranties and undertakings in paragraph 4.1 above shall continue in full force and effect notwithstanding the actual or constructive knowledge of the the Lender and [any/the] Manager[s] with respect to any of the matters referred to in the representations, warranties and undertakings set out above, any investigation by or on behalf of [any/the] Manager[s] or completion of the issue of the Related Bonds.

4.4 The Charity acknowledges that it has provided “General Consent” to the use of the Prospectus in connection with a Public Offer of the Related Bonds in the United Kingdom as described in the section of the Prospectus titled “Important Legal Information – Authorised Offerors and Consent to use this Prospectus”.

- 4.5 The Charity acknowledges that, within the Offer Period, in the event of (i) a significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the Related Bonds arising or being noted, (ii) a change in the condition of the Charity which is material in the context the Related Bonds, or (iii) the Prospectus otherwise coming to contain an untrue statement of a material fact or omitting to state a material fact necessary to make the statements contained therein not misleading or if it is necessary at any time to amend the Prospectus to comply with, or reflect changes in, the laws or regulations of the United Kingdom or any other relevant jurisdiction, the Charity shall update or make such amendments to the Prospectus (following consultation with the [Manager/Managers] and the Lender by the publication of a supplement to it in a form approved by the [Manager/Managers]).
- 4.6 The Lender's obligation under paragraph 3.1 above to accept the Offer is subject to:
- (a) there having been, as at the Issue Date of the Related Bonds, no material adverse change or development involving a prospective material adverse change in the condition (financial or otherwise) of the Charity since the date of this Agreement or from that set out in the Prospectus and no event making any of the representations and warranties contained in paragraph 4.1 untrue or incorrect on the Issue Date of the Related Bonds as though they had been given and made on such date and the Charity having performed all the obligations to be performed by it under this Agreement on or before the Issue Date of the Related Bonds;
 - (b) there being no responses to the enquiries raised by the Manager[s], any potential Bondholders, the Lender and/or their advisers pursuant to paragraph 3.6 which, in the opinion of the Manager[s] or the Lender, would be likely to prejudice materially the success of the offering and distribution of the Related Bonds by the Lender;
 - (c) receipt by the Manager[s] and the Lender of the documents listed in Schedule 1 and confirmation from [each/the] Manager and the Lender that the documents are in a form satisfactory to it; and
 - (d) receipt by the Lender and the Manager[s] of a closing certificate dated the Issue Date of the Related Bonds signed by a duly authorised officer of the Charity giving confirmation to the effect stated in paragraph 4.6 (a).
- 4.7 The Charity covenants to notify the Lender and the Manager[s] forthwith to the extent that any representation or warranty given in paragraph 4.1 would cease to be true assuming the same to be repeated as aforesaid and the reason for such representation or warranty ceasing to be true and if, following the date of this Agreement and before the Issue Date of the Related Bonds, the Charity becomes aware that any of the conditions specified in subclause 4.6 will not be satisfied in relation to the Related Bonds, the Charity shall forthwith notify the Lender and the Manager[s] to this effect giving full details thereof. In such circumstances, the Manager[s] shall be entitled (but not bound) by notice to the Issuer and the Charity to be released and discharged from [its/their] obligations under the Bonds. For the avoidance of doubt, the Lender may, in its discretion but subject to the prior consent of the Manager[s], accept the Offer notwithstanding any such representation or warranty ceasing to be true or the conditions above or part of them not being satisfied.

5. Indemnity

- 5.1 Without prejudice to the other rights or remedies of the Lender and the Manager[s], the Charity undertakes to each of the Lenders and the Manager[s] that if the Lender or [any of] the Manager[s] or any Relevant Party relating to the Manager[s] incurs any liability, damages, tax, cost, loss or expense (including, without limitation, any amount in respect of VAT or other Tax thereon and legal fees, costs and expenses) (a **Loss**) arising out of, in connection with, or based on:

- (a) any actual or alleged breach of the representations, warranties and undertakings contained in, or made or deemed to be made by the Charity under, this Agreement; or
- (b) any untrue or misleading (or allegedly untrue or misleading) statement in, or any omission (or alleged omission) from, the Prospectus relating to the Charity,

the Charity shall pay to the Lender or the [relevant] Manager (as the case may be) on demand an amount equal to such Loss on an after Tax basis. Neither the Lender nor [any / the] Manager shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this paragraph 5.1.

5.2 In case any action shall be brought against any Relevant Party in respect of which recovery may be sought from the Charity under this paragraph 5, the Lender or the [relevant] Manager (as the case may be) shall promptly notify the Charity in writing but failure to do so will not relieve the Charity from any liability under this Agreement.

5.3 The Charity shall not be liable in respect of any settlement of any action effected without its consent, such consent not to be unreasonably withheld or delayed. The Charity shall not, without the prior written consent of the Lender or the [relevant] Manager (as the case may be), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or action in respect of which recovery may be sought hereunder (whether or not the Lender or the [relevant] Manager (as the case may be) is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Lender or the [relevant] Manager (as the case may be) from all liability arising out of such claim or action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of the Lender or the [relevant] Manager (as the case may be).

6. Recovery of costs, etc.

6.1 If, following acceptance of the Offer by the Lender, the Charity fails to enter into the Loan (or if the Charity purports to revoke the Offer during the Offer Period), the Charity hereby agrees to pay on demand:

- (a) to the Lender, an amount equal to the actual costs incurred by the Lender in relation to its entry into this Agreement and the performance of its obligations hereunder, including, but without limitation, any amount in respect of VAT thereon and any costs incurred by the Lender in relation to the proposed issue of the Related Bonds; and
- (b) to the Manager[s], an amount equal to the sum of (i) the actual costs incurred by the Manager[s] in relation to its entry into this Agreement and the performance of its obligations hereunder, including, but without limitation, any amount in respect of VAT thereon and any costs incurred by the Manager[s] in relation to the proposed issue of the Related Bonds and (ii) the fees which would have been payable by the Lender to the Manager[s] together with any amount in respect of VAT thereon.

6.2 The amounts referred to in paragraph 6.1 above are payable by the Charity by way of liquidated damages (it being agreed that they represent a genuine pre-estimate of loss on the part of the Lender and the Manager[s]).

7. Miscellaneous

7.1 This Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

- 7.2 A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
- 7.3 This Agreement, and any non-contractual obligations or matters arising from or connected with it, are governed by and shall be construed in accordance with English law.

SIGNATORIES

The Lender

RETAIL CHARITY BONDS PLC

By:

The Charity

[insert name of Charity]

By:

The Origination Manager, Loan Management Servicer and Administration Services Provider

ALLIA BOND SERVICES LTD.

By:

SCHEDULE 1 TO THE COMMITMENT AGREEMENT

1. A certified copy of the constitutional documents of the Charity;
2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Charity:
 - (a) to approve the terms of, and the transactions contemplated by this Agreement and resolving that it execute the Commitment Agreement and the Loan Agreement;
 - (b) authorising a specified person or persons to execute the Commitment Agreement and the Loan Agreement; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with this Agreement.
3. A specimen of the signature of each person authorised by the resolutions referred to in paragraphs (b) and (c) above;
4. A certificate of the Charity (signed by a director) confirming that borrowing under the Commitment Agreement would not cause any borrowing or similar limit binding on the Charity to be exceeded;
5. A certificate of an authorised signatory of the Charity certifying that each copy document relating to it specified in this Schedule 1 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement;
6. Closing certificate dated the Issue Date of the Related Bonds signed by a duly authorised officer of the Charity giving confirmation to the effect stated in paragraph 4.6(a) of the Commitment Agreement.
7. Legal opinions addressed to each of the Manager[s] [and the Trustee] dated on or after the date of the Commitment Agreement, in such form and with such content as the Dealers [and the Trustee] may reasonably require, from [*legal counsel to the Charity*].

SIGNATORIES

The Issuer

RETAIL CHARITY BONDS PLC

By:

A handwritten signature consisting of a large, stylized initial 'R' followed by a long, sweeping horizontal line that ends in a small upward tick.

The Origination Manager, Loan Management Servicer and Administration Services Provider

ALLIA BOND SERVICES LTD.

By:

A handwritten signature in cursive script that reads "Paul Case".

The Initial Dealer

CANACCORD GENUITY LIMITED

By:

SIGNATORIES

The Issuer

RETAIL CHARITY BONDS PLC

By:

The Origination Manager, Loan Management Servicer and Administration Services Provider

ALLIA BOND SERVICES LTD.

By:

The Initial Dealer

CANACCORD GENUITY LIMITED

By:



DAVID ORFORD
DIRECTOR DEBT MARKETS UK.