

EXECUTION VERSION

CUSTODY AGREEMENT

30 AUGUST 2016

**THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH
(the Custodian)**

**DEUTSCHE TRUSTEE COMPANY LIMITED
(the Security Trustee)**

**LEEDS BUILDING SOCIETY
(the Cash Manager and Seller)**

**LEEDS BUILDING SOCIETY COVERED BONDS LIMITED LIABILITY PARTNERSHIP
(the LLP)**

ALLEN & OVERY

Allen & Overy LLP

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THIS AGREEMENT is made on 30 August 2016

BETWEEN:

- (1) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH** whose principal office is at 40th Floor, One Canada Square, London E14 5AL (**BNYM** in its capacity as the **Custodian**);
- (2) **DEUTSCHE TRUSTEE COMPANY LIMITED**, (registered number 00338230), a private limited company incorporated under the laws of England and Wales and with its principal office located at Winchester House, 1 Great Winchester Street, London EC2N 2DB (acting in its capacity as the **Security Trustee**);
- (3) **LEEDS BUILDING SOCIETY COVERED BONDS LIMITED LIABILITY PARTNERSHIP**, (registered number OC340174), a limited liability partnership incorporated under the laws of England and Wales, whose registered office is at 105 Albion Street, Leeds, West Yorkshire LS1 5AS (the **LLP**); and
- (4) **LEEDS BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at 105 Albion Street, Leeds, West Yorkshire LS1 5AS (**LBS** in its capacity as the **Cash Manager** and **Seller**).

RECITALS:

- (A) The LLP has opened the Securities Accounts and the Cash Accounts with the Custodian, and the LLP has agreed to maintain the Accounts with the Custodian subject to and in accordance with the terms of this Agreement, the Cash Management Agreement and the Deed of Charge.
- (B) Pursuant to the Deed of Charge, the LLP has granted certain security interests over its assets (including the Accounts held with the Custodian) in favour of the Security Trustee as Security Trustee for the Secured Creditors.
- (C) The Custodian has agreed to operate the Accounts held with it on the terms and subject to the conditions contained in this Agreement.
- (D) This is an Agreement entered into by the Parties pursuant to Clauses 4.2(d), 4.2(e) and 4.2(f) of the Cash Management Agreement.
- (E) This Agreement is a Transaction Document pursuant to paragraph (t) of the definition of "Transaction Document".

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

Definitions

- 1.1 The amended and restated master definitions and construction agreement made between the parties to the Transaction Documents dated 2 October 2008 as amended and restated on 2 October 2009, 5 October 2010, 15 December 2011, on 27 December 2012 and on 9 December 2013 (as the same may be amended, restated, varied or supplemented from time to time with the consent of the parties thereto) (the **Master Definitions and Construction Agreement**) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions

and Construction Agreement shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the Recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in Clause 2 of the Master Definitions and Construction Agreement.

1.2 In this Agreement:

Accounts shall mean the Securities Accounts and the Cash Accounts opened with the Custodian in London from time to time, and **Account** shall mean any one of them as the context may require.

Authorised Instructions shall have the meaning set forth in Clause 3.3.

Authorised Person shall mean in the case of the Security Trustee, (i) the Security Trustee; or (ii) any Person who has been duly authorised by the Security Trustee, by notice in writing to the Custodian to act on its behalf in the performance of any act, discretion or duty under this Agreement; or in the case of the LLP, (i) the LLP; (ii) the Cash Manager; or (iii) any Person who is designated in writing by the LLP and approved by the Security Trustee in writing (such designation and approval to be notified to the Custodian in writing), from time to time to give Instructions to the Custodian, under the terms of this Agreement. Authorised Persons shall include Persons authorised by an Authorised Person. Authorised Persons, their signatures and the extent of their authority shall be provided by Instructions. The Custodian may conclusively rely on the authority of such Authorised Persons until it receives an Instruction to the contrary.

BNY Mellon Affiliate shall mean any direct or indirect subsidiary of The Bank of New York Mellon Corporation, a Delaware corporation with registered office at One Wall Street, New York, NY 10286, U.S.A.

Business Day shall mean any day on which Custodian and relevant Depositories are open for business in London.

Cash shall have the meaning set forth in Clause 2.1

Cash Accounts shall have the meaning as set out in Clause 2.2(b) and Cash Account shall be construed accordingly.

Client shall have the meaning set forth in Clause 3.7(b)(i).

Client Asset Rules shall mean the client asset rules as set out in Client Assets sourcebook of the FCA Rules.

Client Money Distribution Rules shall mean the client money distribution rules set out in Chapter 7A of the Client Asset Rules.

Client Money Rules shall mean the client money rules set out in Chapter 7 of the Client Asset Rules.

Code means the US Internal Revenue Code of 1986.

CREST shall mean the central securities depository for the United Kingdom, Ireland, Isle of Man, Jersey and Guernsey in respect of which Euroclear U.K. & Ireland Limited is the operator.

Custodian Rating means a short-term, unsecured, unsubordinated and unregulated debt obligation rating of P1 by Moody's and F1 by Fitch and a long term, unsecured, unsubordinated and unguaranteed debt obligation of A3 by Moody's and A from Fitch.

Data Providers shall mean pricing vendors, brokers, dealers, investment managers, Authorised Persons, Depositories and any other Person providing Market Data to the Custodian.

Data Licensor Terms shall mean the set of terms and conditions (as may be amended by the Custodian or any BNY Mellon Affiliate without notice to the LLP) available at <http://bnymellon.com/products/assetservicing/vendoragreement.pdf> or any successor website the address of which is provided by the Custodian to the LLP.

Depository means Clearstream Banking S.A., CREST, the Depository Trust Company, Euroclear Bank SA/NV as operator of the Euroclear system, and the Federal Reserve Book Entry System.

Distributions shall mean all interest, dividends and other income distributed or paid in respect of Cash and Securities.

EEA means the European Economic Area.

EEA Member State means a member state of the EEA.

FATCA Withholding Tax means any withholding or deduction pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

FCA shall mean the United Kingdom's Financial Conduct Authority (and any successor regulatory authority).

FCA Rules means the rules promulgated by the FCA under FSMA as amended or replaced from time to time.

FSCS means the Financial Services Compensation Scheme.

Governmental Authority means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

HMRC means Her Majesty's Revenue and Customs.

Infrastructure Provider means any Depository, clearing house, exchange, trading venue, securities registrar, nominees, trustees, provider of securities identifier, provider of trade reporting and market data services and other market infrastructure and their respective agents.

Instructions shall mean written communications received by the Custodian (receipt and delivery Instructions to be in substantially the form set out in Schedule 3 or as otherwise specified by the Custodian from time to time) by S.W.I.F.T., overnight delivery, postal services, facsimile transmission, email, on-line communication system or other method or system, each as specified by the Custodian as available for use in connection with the services hereunder.

Losses shall mean, collectively, losses, costs, expenses, damages, liabilities and claims (including legal fees and expenses) sustained by any Party.

Market Data shall mean pricing or other data related to Securities and other assets. Market Data includes but is not limited to security identifiers, valuations, bond ratings, classification data, and other data received from Data Providers.

Person or Persons shall mean any entity or individual.

PRA shall mean the United Kingdom's Prudential Regulation Authority (and any successor regulatory authority).

PRA Rules means the rules and guidance of the PRA as set out in the PRA handbook and PRA rulebook.

Property shall mean Cash and Securities.

Regulations shall mean those rules that apply to the Custodian as promulgated by any Regulatory Authority.

Regulatory Authority shall mean (i) any regulatory authority to which the Custodian is subject in the United States, and (ii) the FCA and PRA.

Relevant Nominee Company shall mean a nominee company controlled by the Custodian or a BNY Mellon Affiliate.

Requirement of Law in respect of any person shall mean:

- (a) any law, treaty, rule, requirement or regulation;
- (b) a notice by or an order of any court having jurisdiction;
- (c) a mandatory requirement of any regulatory authority having jurisdiction; or
- (d) a determination of an arbitrator or Governmental Authority;
- (e) any agreement between any Tax Authority or Governmental Authority; or
- (f) any customary agreement between any Tax Authority and any party or between any Governmental Authority and any party,

in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply.

Rules shall mean the rules of the FCA and PRA as amended or replaced from time to time as applicable.

Securities shall mean any sterling gilt-edged securities, sterling denominated government securities or euro denominated eurozone government bonds which the Custodian agrees to hold directly, or through a Depository, which are posted pursuant to and in accordance with the relevant Covered Bond Swap Agreement or are Substitution Assets or Authorised Investments, acquired by on behalf of the LLP and delivered to or received by the Custodian for deposit in the relevant Securities Account.

Securities Accounts shall have the meaning as set out in Clause 2.2(a) and Securities Account shall be construed accordingly.

Tax Authority means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function (including HMRC).

Tax Obligations shall mean taxes, withholding, certification and reporting requirements, claims for exemptions or refund, interest, penalties, additions to tax and other related expenses.

Any reference to "client money" and "fails" (when used in Clause 2.2(b)) shall have the same meaning as is given to them in the glossary of the FCA Rules.

The headings in this Agreement are only for convenience and do not affect its meaning.

The schedules form part of this Agreement and shall have the same force and effect as if the provisions of each such schedule were set out in the body of this Agreement.

Any reference to any provision of statute, enactment, order, regulation or other legislation refers to the provision as it is amended or re-enacted from time to time.

1.3 Interpretation

Unless the contrary intention appears, expressions used in this Agreement have the meaning which they bear in the rules made by the FCA under the Financial Services and Markets Act 2000.

2. APPOINTMENT OF CUSTODIAN

Appointment

2.1 The LLP hereby appoints BNYM, acting through its offices at 40th Floor, One Canada Square, London, E14 5AL, to be the Custodian of the Securities deposited by it for safekeeping with the Custodian and to hold any cash, Distributions and monies received for deposit for the account of the LLP (**Cash**) in accordance with the terms of this Agreement and to perform the services of the Custodian under this Agreement.

Acceptance of Appointment

2.2 The Custodian accepts such appointment on the terms and subject to the conditions of this Agreement and is authorised and instructed to open and maintain in its books:

- (a) (i) a securities account in the name of the LLP for the custody and safekeeping in accordance with the terms of this Agreement of the Securities deposited with the Custodian which the LLP has received by way of collateral under a Swap Agreement and (ii) a securities account in the name of the LLP for the custody and safekeeping in accordance with the terms of this Agreement of the Securities deposited with the Custodian which have been acquired for or on behalf of the LLP as Substitution Assets or Authorised Investments (each, a **Securities Account** and together with any additional securities accounts opened in accordance with Clause 3.1, the **Securities Accounts**); and
- (b) the cash accounts in the name of the LLP for all Cash (together with any additional cash accounts opened in accordance with Clause 3.1, the **Cash Accounts**). Cash held for the LLP in the Cash Accounts with the Custodian is held as banker and not as a trustee under the Client Money Rules, save as provided in the paragraph below. If the Custodian fails, the Client Money Distribution Rules will not apply to such Cash and so the LLP will not be entitled to share in any distribution under the Client Money Distribution Rules.

There are limited circumstances in which the Custodian may hold certain sums as client money for the benefit of the LLP in accordance with the Client Money Rules. These circumstances are limited to the requirements under the Client Asset Rules pursuant to which the Custodian may be required to segregate certain sums from the Custodian's own

funds as client money in certain cases where the Custodian has identified a shortfall in the number of client securities held by or for it. Such segregation will continue until such time as the relevant shortfall has been resolved at which point the Custodian will re-appropriate such money. Such client money amount will be held in accordance with the Client Money Rules on behalf of the LLP, to the extent that the LLP is affected by the relevant shortfall. In the absence of the Custodian's failure, such segregation does not create a cash entitlement of the Client against the Custodian. If the Custodian fails, the Client Money Distribution Rules will apply to any such money held as client money by the Custodian. Client money will be held with a third party bank or banks. The Custodian does not accept any liability for any default or delay in the distribution of client money in the event of the failure of a bank holding client money on our behalf. If a bank with which the Custodian holds any client money fails at the same time as the Custodian fails, you may share in any shortfall of client money on a pro rata basis. The Custodian may from time to time notify the LLP of other circumstances in which it may hold client money in accordance with the Client Money Rules. The Custodian shall not pay any interest earned on client money to the LLP. In the limited circumstances described in this paragraph in which the Custodian holds certain sums as client money for the benefit of the LLP in accordance with the Client Money Rules, our standard practice would be for the Custodian to open accounts with third party banks within the United Kingdom but there may be reasons (including, but not limited to diversification requirements) where the Custodian may arrange for such money to be held outside of the United Kingdom. Such money may be held in accounts with a third party bank or banks in a state which is not an EEA Member State and, in such case, the relevant accounts will be subject to the laws of that state and as a result such money may be treated in a different manner from that which would apply if such money were held by a third party bank(s) located in the EEA.

- 2.3 The obligations of the Custodian and the Cash Manager under this Agreement and any other Transaction Documents to which they are a party are several and not joint.

Duration of Appointment

- 2.4 The appointment of the Custodian under this Agreement will continue until termination under Clause 13.

The Custodian

- 2.5 The parties acknowledge that the Custodian is a third party within the meaning of Clauses 13.5 and 17.4 of the LLP Deed and Schedule 2 of the Cash Management Agreement.

3. THE ACCOUNTS

- 3.1 Each of the parties hereto hereby acknowledges that in accordance with the terms of the Deed of Charge and the other Transaction Documents, the LLP may be required to open additional cash accounts and securities accounts from time to time with the Custodian, subject to the prior approval of the Custodian.
- 3.2 *Distributions:* The Custodian shall make Distributions or transfers of cash and monies out of the Cash Accounts pursuant to Authorised Instructions in accordance with Clause 9.2. In making payments to service providers pursuant to Authorised Instructions, the LLP and the Security Trustee acknowledges that the Custodian is acting as a paying agent, and not as the payor, for tax information reporting and withholding purposes.
- 3.3 *Authorised Instructions:* The Custodian shall be entitled to rely upon any Instructions actually received by the Custodian and believed by the Custodian to be from an Authorised Person

(Authorised Instructions). The Custodian is under no duty to question any Authorised Instruction. The Custodian may in its sole discretion decline to act upon any Instruction (whether or not an Authorised Instruction) which does not comply with any callback or other procedures specified by the Custodian from time to time, or which is insufficient, incomplete or is not received by the Custodian in sufficient time for the Custodian to act upon or which may breach any applicable law, rule or regulation. (For the avoidance of doubt, where the Custodian has callback procedures in relation to Instructions, the Custodian may at its sole discretion, but shall have no obligation to, apply such procedures.) Where the Custodian declines to act upon an Instruction in accordance with the preceding sentence, the Custodian shall notify as soon as reasonably practicable the LLP and the Security Trustee that it has so declined, to the extent such notification is reasonably practicable and not prohibited by any applicable law or regulatory requirement.

- 3.4 *Authentication:* If the Custodian receives Instructions that appear on their face to have been transmitted by an Authorised Person via (i) facsimile, email, or other electronic method that is not secure, or (ii) secure electronic transmission containing applicable authorisation codes, passwords or authentication keys, each of the LLP, the Cash Manager and the Security Trustee understands and agrees that the Custodian cannot determine the identity of the actual sender of such Instructions and that the Custodian shall be entitled to conclusively presume that such Instructions have been sent by an Authorised Person. The LLP, the Cash Manager or the Security Trustee, as applicable shall be responsible for ensuring that only Authorised Persons transmit such Instructions to the Custodian and that all Authorised Persons treat applicable user and authorisation codes, passwords and authentication keys with extreme care.
- 3.5 *Security Procedure:* The LLP, the Cash Manager and the Security Trustee, acknowledge and agree that it is fully aware of the protections and risks associated with the various methods of transmitting Instructions to the Custodian and that there may be more secure methods of transmitting Instructions than the method selected by the sender. The LLP, the Cash Manager and the Security Trustee, agree that the security procedures, if any, to be followed in connection with a transmission of Instructions, provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.
- 3.6 *On-Line Systems:* If an Authorised Person elects to transmit Instructions or receive information through an on-line communication system offered by the Custodian, the use thereof shall be subject to any terms and conditions contained in a separate written agreement, provided that in the event of a conflict between the terms thereof and this Agreement, this Agreement shall prevail. If the LLP, the Cash Manager or the Security Trustee or any of their respective Authorised Persons elects, with the Custodian's prior consent, to transmit Instructions through an on-line communications service owned or operated by a third party, each of the LLP, the Cash Manager and the Security Trustee, as the case may be, agrees that the Custodian shall not be responsible or liable to such person for the reliability or availability of any such service.
- 3.7 *Regulatory Duties:*
- (a) Each of the LLP and the Security Trustee acknowledges and agrees that the Custodian:
 - (i) has a duty to comply with all relevant Regulations and applicable anti-money laundering laws, regulations and rules in the United Kingdom and the United States;
 - (ii) may be required to, inter alia, verify the identity and residence of the LLP and the Security Trustee prior to providing services under this Agreement and report suspicious transactions to the appropriate law enforcement agencies; and/or
 - (iii) may decide (at its discretion) not to begin providing services to the LLP or the Security Trustee until it considers that it has performed sufficient due diligence to

satisfy the requirements of all relevant Regulations, and all applicable anti-money laundering laws, regulations and rules in the United Kingdom and the United States.

- (b) Notwithstanding any provision to the contrary, all terms of this Agreement are subject to the following terms:
- (i) The LLP, as the Custodian's custody client (the **Client**), is classified as a professional client for the purposes of the application of the Rules. Under the Rules a greater degree of protection is provided to retail clients than to professional clients, and eligible counterparties receive the least protection. Professional clients have the right to request categorisation as a retail client. However, it is not the Custodian's policy in respect of this type of business to accept retail clients, and the Custodian is unlikely to be able to provide these services to the Client if the Client is categorised as a retail client.
 - (ii) Where the Client's Securities are held outside of the United Kingdom (or, if different, outside of the jurisdiction in which the Client is established), different settlement, legal and regulatory requirements and different practices relating to the separate identification of those Securities may apply which are different to those in the United Kingdom or the Client's jurisdiction (as the case may be). Accounts that contain Securities belonging to the Client may be subject to the law of other jurisdictions including those of non EEA jurisdictions, and the Client's rights may be different from those that would apply were English law to be applicable.

3.8 Any instruction given by the LLP or the Cash Manager in relation to amounts or securities deposited in the Accounts will be given in accordance with the relevant Swap Agreement, the Cash Management Agreement and the Deed of Charge.

3.9 The LLP and the Cash Manager hereby agree only to deposit Securities with the Custodian that the Custodian is able to hold either directly or through a Depository. The Custodian may refuse to receive Securities that are not capable of being held by it directly or through a Depository and may deliver any such Securities purported to be delivered to it to the LLP or the Cash Manager or in accordance with their instructions.

4. CUSTODY SERVICES

4.1 *Segregation:* Securities held for the LLP hereunder shall be segregated on the Custodian's books and records from the Custodian's own property. The Custodian will identify the Securities in its books and records as being beneficially owned by the LLP.

4.2 *Holding Securities:*

- (a) The Custodian shall hold Securities at the Custodian or Depositories. Securities held in Depositories shall be held in accordance with, and subject to, the agreements, rules, laws, regulations, local market practices and conditions imposed by and on such Depositories. Where there is a holding with a Depository and such Depository becomes insolvent (or such other analogous event), the consequences for the LLP will depend upon the applicable law of the insolvency proceedings (which may not be English law). Their insolvency may result in delays in settling or transferring Securities held. The effect of any applicable law is outside the control of the Custodian and could, for example, mean that the Client's interests in its Securities are not recognised as separate from those of the relevant Depository.
- (b) Each of the LLP and the Security Trustee acknowledges and agrees that Depositories may have a lien, pledge or other security interest (statutory or otherwise) over, or right of set-off

or retention and sale in respect of, Securities credited to the relevant Securities Account in relation to claims for payment of obligations owed to the relevant Depository (including administration and safe custody charges) as provided in the applicable agreement between the Custodian and the relevant Depository.

- 4.3 *Commingled Accounts:* The LLP's Securities may be held by the Custodian in an omnibus securities account at a Depository, along with the securities of other customers of the Custodian and will be treated as fungible with all other securities of the same issue held in such account by the Custodian with such Depository. This means that the redelivery rights of the LLP in respect of the Securities are not in respect of the Securities actually deposited with the Custodian from time to time but rather in respect of Securities of the same number, class, denomination and issue as those Securities originally deposited with the Custodian in the Securities Accounts from time to time. Such Depository may then hold the LLP's Securities in an omnibus account with a third party that it engages ("third party"). If the Depository defaulted, and held less securities than it should for the benefit of all of its custody clients, there may be a shortfall. Any shortfall may then have to be shared pro rata among all clients whose securities are held by that Depository and the LLP may not receive its full entitlement. As a result, in the event of the default of such a Depository, there is a risk that not all Securities deposited by the Custodian with that Depository will be returned to the Custodian where there is a shortfall at the Depository. In addition, in certain markets, it may not be possible under national law for securities belonging to the LLP and held in custody by a Depository or third party to be separately identifiable from the proprietary assets of that holding party (or the Custodian, where the Custodian is a client of and account holder with the relevant Depository or third party). For the avoidance of doubt, the Custodian or any of its agents, sub-contractors, representatives or delegates will segregate any Cash in its books and records.
- 4.4 *Depositories:* The Custodian shall have no liability whatsoever for the action or inaction of any Depository or for any Losses resulting from the maintenance of Securities or Cash with a Depository.
- 4.5 *Registration Nominees:* The Custodian hereby notifies the LLP and the Security Trustee, and each of the LLP and the Security Trustee agrees that the Securities may be registered in the register maintained by the LLP of such Securities (or by any person acting as agent of the LLP) in the name of:
- (a) the LLP (or, if relevant, the client of the LLP);
 - (b) a Relevant Nominee Company or a nominee company appointed by a Depository on such terms and conditions as any of the foregoing may require; or
 - (c) the Custodian or a Depository or otherwise as permitted by the Client Asset Rules. Where Securities are registered or recorded in this manner, they may not be physically segregated from the assets of the Custodian or the Depository (as applicable) and in the event of the insolvency of the Custodian or the Depository (as applicable) the LLP's assets may not be as well protected from claims made by the creditors of the Custodian or the Depository;

provided in each case that legal title to the Securities shall be registered or recorded in any relevant record of legal entitlement in accordance with the applicable Client Asset Rules. The Custodian accepts the same responsibility to the LLP for acts and omissions of the Relevant Nominee Company with respect to the requirements of the Client Asset Rules.

4.6 *Documents of Title:*

The Custodian may hold any documents of title to a Security in the physical possession of the Custodian.

4.7 *No Duty:* The Custodian will not review investments in the Accounts nor recommend the purchase, retention or sale of any Property. The Custodian will not monitor the Property in the Accounts to determine whether the LLP complies with limitations on ownership or any restrictions on investors provided for by local law or regulations or market practice or provisions in the articles of incorporation or by-laws of the LLP of the Securities.

4.8 *Agents:* The Custodian may outsource and/or appoint agents, including BNY Mellon Affiliates, on such terms and conditions as it deems appropriate to perform its services hereunder. No such outsourcing or appointment shall discharge the Custodian from its obligations hereunder and the liability of the Custodian in connection with the performance or non-performance by any agent appointed or party outsourced to in accordance with this Clause 4.8 shall be as provided for in Clause 10 as if the Custodian had performed such services itself.

4.9 *Custodian Actions without Direction:* With respect to Securities held hereunder, the Custodian is authorised to, and may authorise Depositories to:

- (a) receive all Distributions, which shall be paid (unless instructed otherwise by the LLP or the Cash Manager on its behalf) to the relevant Cash Account;
- (b) carry out any exchanges of Securities or other corporate actions not requiring discretionary decisions;
- (c) facilitate access by the LLP or its designee to ballots or online systems to assist in the voting of proxies received for eligible positions of Securities held in the Account (excluding bankruptcy matters). In this regard, a provider of proxy voting services will be appointed by the Custodian acting as agent of the LLP to provide global proxy voting services. Other than appointing such provider of global proxy services, the Custodian shall have no obligation or liability to the LLP in respect of such global proxy voting services or the acts or omissions of the provider of such global proxy voting services;
- (d) forward to the LLP or its designee information (or summaries of information) that the Custodian receives from Depositories concerning Securities in the Account (excluding bankruptcy matters);
- (e) forward to the LLP or its designee an initial notice of bankruptcy cases relating to Securities held in the Account and a notice of any required action related to such bankruptcy cases as may be received by the Custodian. No further action or notification related to the bankruptcy case shall be required; and
- (f) execute and deliver, solely in its custodial capacity, certificates, documents or instruments incidental to the Custodian's performance under this Agreement.

4.10 *Custodian Actions with Direction:* The Custodian shall take the following actions in the administration of the Accounts only pursuant to Authorised Instructions in accordance with Clause 9.2:

- (a) settle purchases and sales of Securities and process other transactions, including free receipts and deliveries;

- (b) deliver Securities in the Account if an Authorised Person advises the Custodian that the LLP has entered into a separate securities lending agreement, provided that the LLP executes such agreements as the Custodian may require in connection with such arrangements; and
- (c) make any transfers of Cash from the Cash Accounts unless in connection with any of the actions referred to in paragraphs (a) and (b) of this Clause 4.10.

4.11 *Foreign Exchange Transactions:* To the extent the Custodian is required to effect any foreign exchange transactions, such service will be in addition to the custody services provided hereunder and subject to such terms as agreed and documented separately between the Custodian and the LLP.

5. CORPORATE ACTIONS AND SETTLEMENT OF TRADES

5.1 Corporate Actions

- (a) *Custodian Notification:* The Custodian shall notify the LLP of rights or discretionary actions as promptly as practicable under the circumstances, provided that the Custodian has actually received notice of such right or discretionary corporate action (including, where relevant from the Depository). Absent actual receipt of such notice, the Custodian shall have no liability for failing to so notify the LLP.
- (b) *LLP Notification:* Whenever there are voluntary rights that may be exercised or alternate courses of action that may be taken by reason of the LLP's ownership of Securities, the LLP shall be responsible for making any decisions relating thereto and for directing the Custodian to act. In order for the Custodian to act, it must receive Authorised Instructions of the LLP using the Custodian generated form or clearly marked as instructions for the decision at the Custodian's offices, addressed as the Custodian may from time to time request, by such time as the Custodian shall advise the LLP. Absent the Custodian's receipt of such Authorised Instructions by such deadline, the Custodian shall not be liable for failure to take any action relating to or to exercise any rights conferred by such Securities.
- (c) *Partial Redemptions, Payments, etc.:* The Custodian shall promptly advise the LLP upon its notification of a partial redemption, partial payment or other action with respect to a Security affecting fewer than all such Securities held within the Account. If the Custodian or Depository holds any Securities affected by one of the events described, the Custodian or Depository may select the Securities to participate in such partial redemption, partial payment or other action in any non-discriminatory manner that it customarily uses to make such selection.
- (d) *Custodian to act for Security Trustee:* At any time after the service of a LLP Acceleration Notice upon the LLP in respect of the Covered Bonds or the Covered Bonds have otherwise become due and payable the Custodian shall, upon receipt of the requisite notice (in, or substantially in, the form attached hereto at Schedule 2) given by the Security Trustee to the Custodian and copied to the LLP:
 - (i) act as Custodian of the Security Trustee in relation to any action to be taken in connection with the Securities, the Cash, the Securities Accounts and the Cash Accounts mutatis mutandis subject to and in accordance with the provisions of the Deed of Charge and this Agreement (save that the Security Trustee's liability for the indemnification and remuneration of the Custodian shall be limited to the amounts for the time being held by the Security Trustee on the trusts of the Deed of Charge and available to the Security Trustee for this purpose) and as if all references in this Agreement to the LLP (other than in this Clause 5.1(d)) were references to the Security Trustee;

- (ii) as soon as reasonably practicable, take all necessary steps to hold the relevant Securities and all Cash, other sums, documents and records in respect thereof on behalf of the Security Trustee;
- (iii) procure payment or delivery, as the case may be, of all sums, documents and records held by it in respect of the Securities and the Cash (if any) to the Security Trustee or as the Security Trustee shall direct in such notice, provided that such notice shall be deemed not to apply to any documents or records which the Custodian is obliged by any law or regulation not so to release; and/or
- (iv) act in respect of any action to be taken in connection with the Securities, the Cash, the Securities Accounts and the Cash Accounts upon the Security Trustee's written instructions and shall not act on the instructions (including Authorised Instructions) of the LLP or any agent of the LLP.

5.2 Settlement of trades

- (a) *Payment:* Promptly after each purchase or sale of Securities by the LLP, an Authorised Person shall deliver to the Custodian Instructions specifying all information necessary for the Custodian to settle such purchase or sale. For the purpose of settling purchases of Securities, the LLP shall provide the Custodian with sufficient immediately available funds for all such transactions by such time and date as conditions in the relevant market dictate.
- (b) *Contractual Settlement and Income:* The Custodian may, as a matter of bookkeeping convenience, credit the Cash Accounts (unless instructed otherwise by the LLP or the Cash Manager on its behalf) with the proceeds from the sale, redemption or other disposition of Securities or payable Distributions prior to its actual receipt of final payment therefor. All such credits shall be conditional until the Custodian's actual receipt of final payment and may be reversed by the Custodian to the extent that final payment is not received.
- (c) *Trade Settlement:* Transactions will be settled using practices customary in the jurisdiction or market where the transaction occurs. Each of the LLP and the Security Trustee understands that when the Custodian is instructed to deliver Securities against payment, delivery of such Securities and receipt of payment related to such Securities may not be completed simultaneously, and in particular, that when the Custodian receives an Authorised Instruction to deliver Securities against payment or in exchange for Cash (for example in connection with the settlement of a Securities transaction or a redemption, exchange, tender offer or similar corporate action) such payment or exchange of Cash may not occur simultaneously with the delivery of Securities and therefore the Custodian may deliver such Securities before actually receiving final payment for such delivery of Securities. Consequently, as a matter of bookkeeping convenience, the Custodian may credit the LLP's Cash Accounts with Cash equal to the amount the Custodian anticipates will be received by it, a Depository prior to actual receipt by the Custodian or Depository of the Cash by way of final payment for such delivery of Securities. The LLP assumes full responsibility for all risks involved in connection with the Custodian's delivery of Securities pursuant to Authorised Instructions in accordance with local market practice.

6. CONVERSION AND SECURITY INTERESTS

6.1 Deposits

- (a) The Custodian may hold Cash in a Cash Account or, where required under applicable local law, rules or practices, arrange to have Cash directly held by a BNY Mellon Affiliate, or with a Depository. Where Cash is on deposit with the Custodian or a BNY Mellon Affiliate, it will be subject to the terms of this Agreement and such deposit terms and conditions as may be issued by the

Custodian or a BNY Mellon Affiliate from time to time, including rates of interest and deposit account access, provided that in the event of any conflict between the terms thereof and the Agreement, this Agreement shall prevail.

- (b) Subject to Clause 6.1(c) below, the Cash Accounts shall be credited interest at the rate payable by the Custodian in accordance with a side letter entered into between the Custodian and the LLP.
- (c) If for any currency:
 - (i) any recognised overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority is negative or zero; or
 - (ii) any Depository applies a negative interest rate or any related charge to any account or balance on any account opened by the Custodian,

the Custodian may apply a charge in respect of Cash held in the Cash Accounts agreed by way of a side letter entered into between the Custodian and the LLP.

- (d) The LLP acknowledges and agrees that the application of a charge by the Custodian, including as referred to in subclause (c) above may cause the effective interest rate applicable to an account or balance to be negative, notwithstanding that one or more of the rates set by third parties specified in (i) and (ii) of that subclause may be zero.

6.2 Credits, Advances and Overdrafts

- (a) The Custodian shall have no obligation whatsoever to extend any credit or to make advance of any cash to the LLP or the Security Trustee to facilitate the settlement of any transaction or transfer of any Property.
- (b) Notwithstanding (a) above, if the Custodian, whether pursuant to Clause 5.2(b) or 5.2(c), or for facilitating settlement of securities transactions (including, for the avoidance of doubt, purchases) or any other transfers, or otherwise, credits any of the LLP's Cash Accounts with Cash equal to the amount of any payment which the Custodian anticipates will be received by the Custodian or a Depository prior to actual receipt by the Custodian of final payment of such amount, such advance credit shall be regarded as an extension of credit which is conditional upon receipt by the Custodian of final payment and may be reversed to the extent that final payment is not received by way of final payment by the Custodian. The LLP assumes full responsibility for all risks involved in connection with the Custodian's advance credit of Cash.
- (c) In the event that the Custodian has extended credit to the LLP as described in (b), or if the LLP otherwise becomes indebted to the Custodian (including, without limitation, overdrafts incurred in connection with the settlement of securities transactions, funds, transfers or foreign exchange transactions), the LLP shall, upon demand or upon becoming aware of the amount of the advance, overdraft or indebtedness, whichever is the earlier, immediately reimburse the Custodian for such amounts in the same currency if legally available plus accrued interest at a rate then charged by the Custodian to its institutional asset servicing customers.
- (d) For the purposes of this Agreement, payment will not be "final" until the Custodian has received immediately available funds which, under applicable local laws, regulations, rules, customs or practices, are not reversible and not subject to any security interest, levy or other encumbrance, and that are specifically applicable to such transaction.

6.3 **Negative Covenant**

The LLP shall not take any action in relation to the Securities which is inconsistent with the rights granted to the Custodian by law and under this Agreement and shall at any time and from time to time do all such transfers, assurances, acts and things as the Custodian may require to assure the superiority or priority of any preference, lien, security interest or other rights granted by law and hereunder in favour of the Custodian.

6.4 **Other Security Interests**

Unless required by law, neither the Custodian nor its nominees or Depositories shall be bound by or recognise any lien, pledge, security interest or similar entitlement to any Securities or Cash held for the LLP for the benefit of any person, other than, in relation to the Custodian only, the LLP's entitlement under this Agreement, the interest of Depositories referenced at Clause 4.2(b) and the Security Trustee's entitlement pursuant to the Deed of Charge.

For the avoidance of doubt, the Custodian shall in no circumstances have any obligation to, and shall not: (i) review, or monitor compliance by the LLP or the Security Trustee with, any term of the Deed of Charge; (ii) take or omit any action by reference to any terms of the Deed of Charge; (iii) have any responsibility for the perfection, preservation or accuracy of any filing which may be required in connection with the Deed of Charge; or (iv) have any responsibility for the adequacy, sufficiency or efficacy of any security granted under the Deed of Charge.

6.5 **Drawings**

In accordance with Clause 4.3, the LLP's Securities may be held in a commingled client securities account with securities of other clients of the Custodian and shall be treated as fungible. The LLP hereby further agrees and consents to the Custodian using the Securities for the account of another client of the Custodian and vice versa. However, the Custodian may only do so (or permit a Depository to do so) in connection with facilitating timely settlement of Securities trades, and the Custodian may not and shall not use the LLP's Securities for its own account or for account of a Depository and no Securities Account on the books of the Custodian shall hold Securities which are beneficially owned by the Custodian.

7. **REPRESENTATIONS AND WARRANTIES**

The LLP makes the following representations and warranties to the Custodian:

- (a) it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation, and is not subject to any insolvency procedure;
- (b) it has full power and all necessary authority has been obtained and action taken for it to perform its obligations under this Agreement and to appoint the Custodian as custodian under this Agreement and this Agreement constitutes its legal, valid, binding and enforceable obligations;
- (c) neither the signing and delivery of this Agreement nor any other Transaction Document to which it is a party contravenes or constitutes a default under, or causes to be exceeded any limitation on it contained in:
 - (i) its constitutional documents;
 - (ii) any law (including without limitation any legislation of its jurisdiction or case law by which it is bound or affected); or

- (iii) any material agreement to which it is a party or by which any of its assets are bound;
- (d) to the extent an Issuer Acceleration Notice is served on the Issuer or a LLP Acceleration Notice is served on the LLP, it (or the Cash Manager on its behalf) will promptly provide a copy of such notice to the Custodian;
- (e) no other security over the Accounts has been granted or will be granted by the LLP during the term of this Agreement other than under the Deed of Charge;
- (f) other than as provided for in this Agreement or the other Transaction Documents neither it nor any of its assets enjoys a right of immunity from set off, suit or execution in respect of its obligations under this Agreement; and
- (g) in relation to data disclosed to the Custodian in connection with this Agreement, the LLP has complied with, and shall continue to comply with the provisions of all relevant data protection laws and regulations and shall not do anything, or permit anything to be done which might lead to a breach of such laws or regulations by the Custodian, and in particular (but without limitation of the foregoing), to the extent that information and data includes personal data encompassed by relevant data protection legislation applicable to the LLP, the LLP represents and warrants that it is authorised to provide the consents and authorisations to disclosure set out in this Agreement and that the disclosure to the Custodian will comply with the relevant data protection legislation.

8. ACKNOWLEDGEMENTS, RECORDS AND DISCLOSURES

8.1 Acknowledgements

Notwithstanding anything to the contrary, the Custodian:

- (a) acknowledges that the LLP has, pursuant to the Deed of Charge, assigned by way of security to the Security Trustee all its right, title, interest and benefit, present and future, in and to all moneys from time to time standing to the credit of the Accounts held with the Custodian together with all interest accruing from time to time thereon and the debts represented thereby; and
- (b) shall, subject to the payment of the Custodian's costs and fees in association therewith, upon reasonable notice being given to the Custodian and subject to all applicable laws, provide such information in its possession in respect of the Accounts held with it as the auditors of the LLP may reasonably require for the purpose of auditing the annual accounts of the LLP and as the Custodian may lawfully disclose.

8.2 Records and disclosure

- (a) *Pricing and other data:* In providing Market Data related to the LLP's Accounts in connection with this Agreement, the Custodian is authorised to use Data Providers. The Custodian may follow Authorised Instructions in providing pricing or other Market Data, even if such Authorised Instructions direct the Custodian to override its usual procedures and Market Data sources. The Custodian shall be entitled to rely without inquiry on all Market Data (and all Authorised Instructions related to Market Data) provided to it, and the Custodian shall not be liable for any Losses incurred as a result of errors or omissions with respect to any Market Data (including but not limited to the accuracy or completeness of such Market Data) utilised by the Custodian or the LLP hereunder. The LLP and the Security Trustee acknowledges that certain pricing or valuation information may be based on calculated amounts rather than actual market transactions and may not reflect actual market values, and that the variance between such calculated amounts and actual

market values may be material. Market Data may be the intellectual property of the Data Providers, which may impose additional terms and conditions upon the LLP's use of the Market Data. The additional terms and conditions can be found within the Data Licensor Terms and the LLP agrees to those terms. Certain Data Providers may not permit the LLP's directed price to be used. Performance and risk analytic services including, but not limited to certain analytic, accounting, compliance, reconciliation, asset pricing and other services with respect to the Accounts are available provided that the LLP enters into the appropriate separate agreement with the relevant BNY Mellon Affiliate. Performance measurement and analytic services (where subscribed to by the LLP) may use different data sources than those used by the Custodian to provide Market Data for the Accounts, with the result that different prices and other Market Data may apply.

- (b) *Statements:* The Custodian shall make available to the LLP and the Security Trustee on a periodic basis as agreed from time to time between the Parties, but not less than annually, statements of all transfers to or from the Accounts and statements of all holdings in the Accounts as of the last Business Day of each month and at the end of the period covered by the statement. The LLP and/or the Security Trustee may at any time request an additional report or more frequent reports and the Custodian shall comply with such requests, in accordance with applicable Rules. The Custodian may charge for any such additional reporting and will agree with the LLP any charge that will apply for any additional reports requested by the LLP and/or the Security Trustee. The LLP and/or the Security Trustee may elect to receive certain information electronically through the Internet to email addresses specified by them for such a purpose. Where the LLP and/or the Security Trustee elects to use the Internet for this purpose, both such Parties acknowledge that such transmissions are not encrypted and therefore are not secure. Each of the LLP and the Security Trustee further acknowledges that there are other risks inherent in communicating through the Internet such as the possibility of virus contamination and disruptions in service, and agrees that the Custodian shall not be responsible for any Losses suffered or incurred by the LLP, the Security Trustee, or any person claiming by or through the LLP or the Security Trustee as a result of the use of such methods.
- (c) *Review of statements:* If, within thirty (30) days after the Custodian makes available to the LLP and the Security Trustee a statement with respect to the Accounts, neither the LLP nor the Security Trustee have given the Custodian written notice of any exception or objection thereto, the statement shall be deemed to have been approved. In case of an exception or objection being raised, the Custodian shall address with reasonable efforts such exception or objection.
- (d) *Inspection of books and records:* Each of the LLP and the Security Trustee shall have the right, at the LLP's expense and with reasonable prior written notice to the Custodian, to inspect the Custodian's books and records directly relating to the Accounts during normal business hours or to designate an accountant to make such inspection.
- (e) *Disclosure of securities information:* With respect to Securities issued in the United States, the Shareholders Communications Act of 1985 (the **Act**) requires the Custodian to disclose to the issuers of such Securities, upon their request, the name, address and securities position of a "depositor" (as defined in the Act) who are (a) the "beneficial owners" (as defined in the Act) of the Securities issued by such issuers, if the beneficial owner does not object to such disclosure, or (b) acting as a "respondent bank" (as defined in the Act) with respect to the securities. Under the Act, "respondent banks" do not have the option of objecting to such disclosure upon the issuers' request. The Act defines a "beneficial owner" as any person who has, or shares, the power to vote on a security (pursuant to an agreement or otherwise), or who directs the voting on a security. The Act defines a "respondent bank" as any bank, association or other entity that exercises fiduciary powers which holds securities on behalf of beneficial owners and deposits such securities for safekeeping with a bank, such as the Custodian. Under the Act, a "depositor" is either the "beneficial owner" or a "respondent bank".

The "depositor" agrees to disseminate in a timely manner all proxies or requests for voting instructions, other proxy soliciting material, information statements, or annual reports that it receives to any other beneficial owners.

With respect to Securities issued in any other jurisdiction, the Custodian shall disclose information required by law, regulation, rules of a stock exchange or organisational documents of an issuer of such Securities. The Custodian is also authorised to supply any information regarding the Accounts that is required by any law, regulation or rules now or hereafter in effect. The LLP agrees to supply the Custodian with any required information if it is not otherwise available to the Custodian.

8.3 **Additional Information**

The LLP agrees to provide (to the extent having used all reasonable endeavours it is able to do so) to the Custodian such additional information as the Custodian may request from time to time to enable the Custodian to provide services under this Agreement, including (but without limitation) where any Depository has requested the Custodian to provide additional information for compliance with the requirements of any tax authority, or any applicable legal or regulatory requirement.

8.4 **Ancillary Services**

The Custodian, or any BNY Mellon Affiliates or associates, may provide services which are ancillary to the Custodian's functions of custodian and banker, or carry out other business and activities (including but not limited to acting as agent for, placing or negotiating orders to buy or sell securities for, buying or selling securities for, providing banking, investment advisory, investment management and other services to, or generally engaging in any kind of business with, others (including without limitation issuers of securities, money market instruments or other property purchased for and on behalf of the Client, if any) to the same extent as if the Custodian was not a custodian under this Agreement. Nothing in this Agreement shall be deemed to restrict the right of the Custodian or its affiliated companies or associates to perform such services for any other person or entity, and the performance of such services for others will not be deemed to violate or give rise to any duty or obligation to the Client not specifically undertaken by the Custodian under this Agreement. The Custodian or the relevant affiliated company or associate, as appropriate, may receive and retain any fee, commissions, spreads or other compensation in relation to any service, business or activity described in this paragraph or similar service, business or activity. The Custodian undertakes to disclose to the Client upon request further details of any such fee, commission or non-monetary benefit paid or provided to a third party or by a third party to the Custodian in relation to the services contemplated under this Agreement.

8.5 **Disclosure**

This Clause 8.5 is without prejudice to the generality of Clauses 8.2(e) and 8.3. The Bank of New York Mellon is supervised and regulated by the New York State Department of Financial Services and the Federal Reserve and authorised by the Prudential Regulation Authority. The Bank of New York Mellon London branch is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Each of the LLP and the Security Trustee acknowledges that the Custodian may be obliged to provide information concerning the Client and any third party acting for the benefit or on behalf of the Client, the Accounts, the Property or this Agreement to market or regulatory authorities, courts and government agencies, including but not limited to any stock exchanges (and their successors), and law enforcement and tax authorities. Each of the LLP and the Security Trustee hereby authorises the Custodian to disclose the information to such courts, exchanges, agencies and authorities, or otherwise as required by applicable laws, rules, regulations or court or administrative orders in jurisdictions where the Custodian and BNY Mellon affiliates do business, and in particular to disclose the identity of the

LLP and/or the Security Trustee, as the case may be, or, if any of the LLP and the Security Trustee is acting on behalf of others, the identity of such others (to the extent known by the Custodian). If the Custodian becomes aware of confidential information which prevents it from effecting a particular transaction under this Agreement, then the Custodian may refrain from effecting that transaction.

8.6 Data Protection

Each of the LLP and the Security Trustee acknowledges that the Bank of New York Mellon Corporation is a global financial organisation that operates in and provides services and products to clients through affiliates and subsidiaries located in multiple jurisdictions (the BNY Mellon Group). Each of the LLP and the Security Trustee also acknowledges that the BNY Mellon Group may centralise in one or more affiliates, subsidiaries or unaffiliated Infrastructure Providers, certain activities including; audit, accounting, administration, risk management, legal, compliance, sales, marketing, relationship management, and the storage, maintenance, aggregation, processing and analysis of information and data regarding the Client and the Accounts. Consequently, each of the LLP and the Security Trustee hereby consents and authorises the Custodian to disclose to other members of the BNY Mellon Group and to their service providers (and their respective officers, directors and employees) information and data regarding the LLP and the Security Trustee, or as the case may be, its employees and representatives, and the Accounts established pursuant to this Agreement in connection with the foregoing activities. The Custodian shall not be held responsible for information held by such persons of which the Custodian is not aware by virtue of restricted access or information barrier arrangements. Each of the LLP and the Security Trustee acknowledges and agrees that information concerning the LLP and/or the Security Trustee may to the extent necessary be disclosed by the Custodian to Infrastructure Providers which are not BNY Mellon Affiliates, and to governmental, regulatory and revenue authorities and governmental or administrative bodies in jurisdictions where the BNY Mellon Group operates, and otherwise as required by law.

Personal Data may be used by the Custodian, BNYM Affiliates and Infrastructure Providers to provide services contemplated by this Agreement, to administer and develop the Custodian's and its Affiliates' relationship with the LLP and/or the Security Trustee, to handle claims, litigation and other proceedings, whether in the United Kingdom or abroad and any other related purposes, to protect the LLP, the Security Trustee, the Custodian, BNYM Affiliates and Infrastructure Providers or third parties against fraud or other improper conduct, and to comply with laws, rules, regulations, anti-money laundering requirements, court or administrative orders, or requests from or agreements with the courts, exchanges, agencies and authorities referred to above, applicable to the LLP, the Security Trustee, or to the Custodian, Infrastructure Providers, BNY Mellon Affiliates and associates. Personal Data may be exported to jurisdictions outside the EEA, including, but not limited to, the United States of America. The individuals to whom Personal Data relate (**Data Subjects**) have the right to access, and to rectify inaccuracies in records of their Personal Data. Each of the LLP and the Security Trustee shall (i) before it or anyone on its behalf provides Personal Data to the Custodian, any BNYM Affiliate or any Infrastructure Providers inform, if required, the Data Subjects of the disclosure, collection, processing, storage and transfer of their Personal Data for the purposes set out in this Agreement and/or obtain their consent and or waiver as may be required to allow the Custodian, any BNYM Affiliate and Infrastructure Provider to collect, store, process and disclose its or their information as described in this Clause 8.6, provide them with the information set out in this Clause 8.6 and advise them to contact the LLP or the Security Trustee, as the case may be, if they wish to exercise their rights of access or rectification (ii) promptly forward any such request of access or rectification to the Custodian and provide assistance to the Custodian; and (iii) reimburse the Custodian's reasonable costs and expenses incurred in connection with giving access to Personal Data to any Data Subject.

To the extent permitted by applicable law, each of the Custodian, the LLP and the Security Trustee may record telephone and electronic communications with the other Parties or their agents with or

without previous notice or signal for the purpose of constituting evidence of the transactions and communications between the Parties and of any instructions, facts and events relied upon by the Custodian, and refer to the recording of such communications as fully admissible evidence in the event of any dispute, action or proceedings. The Custodian and BNY Mellon Affiliates may also use telephone recordings for the purposes of ensuring employees act in compliance with applicable legislative and policy requirements and deliver the highest standards of client service.

In this Clause, **Personal Data** has the meaning set out in applicable data protection laws and regulations, including, where applicable, the Data Protection Act 1998.

9. PROVISIONS REGARDING CUSTODIAN

9.1 Standard of Care

In performing its duties under this Agreement, the Custodian shall exercise the standard of care and diligence that a professional custodian would observe in performing such duties.

9.2 Instructions

Prior to receipt of notice from the Security Trustee pursuant to Clause 5.1(d), the Custodian shall act upon Instructions received from an Authorised Person of the LLP (including the Cash Manager) pursuant to this Agreement.

10. LIABILITY OF THE CUSTODIAN

10.1 The Custodian shall not be liable in respect of any Losses suffered or incurred by the LLP and/or the Security Trustee as a result of the performance of its obligations under this Agreement save where such Losses are suffered or incurred as a direct result of any wilful misconduct, fraud or negligence of the Custodian and, in any event, only to the extent such Losses constitute direct money damages. The Custodian shall not otherwise be liable or responsible for any Losses or inconvenience which may result from anything done or omitted to be done by it in connection with this Agreement.

10.2 Notwithstanding any provision of this Agreement to the contrary, under no circumstances will the Custodian be liable to any person for any special, indirect, punitive or consequential loss (being, *inter alia*, loss of business, goodwill, opportunity, reputation, anticipated saving or profit) or damage of any kind, whether or not foreseeable, even if advised of the possibility of such loss or damage and regardless of whether any claim for loss or damage is made in negligence, for breach of contract, or otherwise. Subject to Clause 10.1, the Custodian's liability in connection with this Agreement in respect of any loss of, or failure to acquire any asset will be limited to the market value or, in the absence of a relevant market, the fair value of that asset, as determined by the Custodian as at the date when notice of that loss or failure is given by the Custodian to the LLP, plus interest on the amount at the Custodian's prevailing deposit rate for that amount from the date the notice is given until the amount is paid to the LLP.

10.3 Notwithstanding anything in this Agreement to the contrary, the Custodian shall not be responsible or liable for any failure to carry out or delay in carrying out some or all of its obligations under this Agreement or for any Losses to the Accounts resulting, in whole or in part, from any cause, event or circumstance beyond the reasonable control of the Custodian or any Relevant Nominee Company, BNY Mellon Affiliate or any Depository, including, without limitation, electricity power-cuts, computer software, hardware or system failure, strikes, lock-outs, sit-ins, industrial disturbances, earthquakes, storms, fire, flood, acts of God, insurrections, riots, epidemics, war, civil disturbances, terrorism, revolution, market conditions affecting the execution or settlement of transactions or the value of assets, nationalisation, expropriation, law, order or governmental directions or regulations, including, but not limited to, changes in market rules or practice, currency restrictions, devaluations

or fluctuations or any other acts, events or circumstances beyond the Custodian's control and, for so long as such circumstances continue, the Custodian shall be relieved of those of its obligations under this Agreement which are affected by the event in question without liability. In no event shall the Custodian be liable for any Losses arising out of the holding of the Securities or Cash in any particular country, including but not limited to, Losses resulting from nationalisation, expropriation or other governmental actions; regulation of the banking or securities industry; exchange or currency controls or restrictions, devaluations or fluctuations; the availability of the relevant Securities or Cash or market conditions which prevent the transfer of Property or the execution of securities transactions or which affect the value of Property.

10.4 The Custodian may in connection with its acting as such under this Agreement:

- (a) engage and (subject always to the Priorities of Payments and the Deed of Charge, at the expense of the LLP) pay for lawyers selected by it, or consult with lawyers to any other party to this Agreement, and it may rely on and shall be protected and shall incur no liability for action taken or suffered to be taken or omitted to be taken in good faith and in accordance with the opinion or advice of such lawyers. The Custodian may also engage and (subject always to the Priorities of Payments and the Deed of Charge, at the expense of the LLP) pay for the advice or services of any banker, banking company, lawyer, accountant or any other professional advisers or experts whose advice or services may to it seem necessary, expedient or desirable and rely and act upon any advice so obtained for the performance of its duties and services hereunder and shall not be responsible for any loss occasioned by so acting. Failure to consult any such lawyer, banker, accountant or other expert shall not be construed as evidence of bad faith on the part of the Custodian;
- (b) rely on any communication or document reasonably believed by it to be genuine;
- (c) assume that no LLP Acceleration Notice has been given and that no other party to this Agreement is in breach of or default under its obligations hereunder, unless it has actual notice to the contrary;
- (d) assume that all conditions for the making of any payment out of the amount standing to the credit of the Accounts held with it which are specified in any Instruction from the LLP, the Cash Manager or the Security Trustee have been satisfied, unless it has written notice to the contrary; and
- (e) rely on any communication or document of any kind *prima facie* properly executed and submitted by any person whom the Custodian has reasonable grounds to believe is entitled to execute and submit such document in relation to any matter arising under or in connection with this Agreement, including (but not limited to) any document sent by any means requiring manual intervention.

10.5 Notwithstanding anything to the contrary express or implied herein, the Custodian shall not:

- (a) be responsible for the title, validity or genuineness of the Securities or evidence of title thereto received by it or delivered by it pursuant to this Agreement or for the Securities held hereunder being freely transferable or deliverable without encumbrance in any relevant market;
- (b) be responsible for the failure to receive payment of, or the late payment of, income or other payments due to the Account;
- (c) have any duty to take any action to collect any amount payable on the Securities if they are in default or if payment is refused after due demand and presentment;

- (d) have a duty or responsibility to inquire into, make recommendations, supervise, or determine the suitability of any transactions affecting any Account, and shall have no liability with respect to the LLP's or an Authorised Person's decision to invest in securities or to hold cash in any currency;
- (e) have any liability with respect to any Losses arising from the use by the LLP or the Security Trustee (or any person authorised or acting on its behalf) of any method or transmission such as facsimile, email or other electronic method of transmission or communication which are deemed not to be secure;
- (f) have any liability with respect to any Losses arising from a delay by the Custodian or a Depository to act subject to and in accordance with an Instruction when such delay is due to any procedure or process to be performed by the Custodian or a Depository and required in accordance with local laws and regulations, court or regulatory order;
- (g) have any liability with respect to any Losses arising from the use of any third party appointed or selected by the LLP or Security Trustee or by the Custodian at the express request of the LLP or Security Trustee;
- (h) have any responsibility if the rules or procedures imposed by Depositories, exchange controls, asset freeze or other laws, rules, regulations or orders at any time prohibit or impose burdens or costs on the transfer to, by or for the account of the LLP or Security Trustee of the Securities or Cash;
- (i) be responsible for the accuracy of any information provided to the LLP or the Security Trustee which has been obtained from or provided to the Custodian by any other entity;
- (j) be liable for any Losses incurred by or asserted against the LLP or the Security Trustee arising from the default or insolvency of any Person, including but not limited to a Depository, broker, bank and a counterparty to the settlement of a transaction or to a foreign exchange transaction, except to the extent the Custodian is liable pursuant to Clause 4.5;
- (k) be bound to enquire as to the occurrence or otherwise of an Event of Default, the service of a LLP Acceleration Notice or the performance by any other party to this Agreement or the other Transaction Documents of its obligations hereunder or thereunder or be affected by notice of any of the same;
- (l) be bound to account to any other party hereto for any sum or the profit element of any sum received by it for its own account;
- (m) save as provided in this Agreement, be bound to disclose to any other person any information relating to any other party hereto; or
- (n) have any responsibility to any party if any Instruction which should be given by the LLP, the Cash Manager or the Security Trustee to the Custodian under and in connection with this Agreement or the Deed of Charge (as applicable) is for any reason not received by the Custodian or is not made at the time it should be made.

10.6 The Custodian shall be obliged to perform such duties and only such duties as are set out in this Agreement and no implied duties or obligations of any kind (including without limitation duties or obligations of a fiduciary or equitable nature) shall be read into this Agreement against the Custodian. In no case will the Custodian be required or obliged to do anything which would be from time to time illegal or contrary to any rules or regulations and/or policies applicable to it.

- 10.7 Where an error or omission has occurred under this Agreement, the Custodian may take such remedial action as it considers appropriate under the circumstances and, provided that the LLP or the Security Trustee (as applicable) is put in the same or equivalent position as it would have been in if the error or omission had not occurred, any favourable consequences of the Custodian's remedial action shall be solely for the account of the Custodian, without any duty to report to the LLP or Security Trustee any loss assumed or benefit received by it as a result of taking such action.
- 10.8 Nothing in this Agreement shall be construed as restricting or excluding any duty or liability the Custodian may have to the LLP and/or the Security Trustee under FSMA or the regulatory system, as defined in the FCA Rules.
- 10.9 In accordance with regulatory requirements, the Custodian has taken reasonable steps to identify conflicts of interest that exist, or may exist, between the Custodian and its clients or between one client and another. The Custodian has in place a policy to ensure that any conflicts of interest that may occur between the interests of its clients, or itself and a client, have been identified and are being managed according to the regulatory requirements. The policy sets out the types of actual or potential conflict which may impact the relationship between the Custodian and its clients and provide details of how these are managed. Should the client require additional information around this policy then it should contact the Custodian compliance officer at the address set out in the signatories section of this Agreement.

11. TAX

- 11.1 All payments by the Custodian under this Agreement shall be made in full without any deduction or withholding (whether in respect of set-off, counterclaim, duties, Taxes, charges or otherwise whatsoever) unless the deduction or withholding is required by law. Notwithstanding any other provision of this Agreement, the Custodian shall be entitled to make a deduction or withholding from any payment which it makes under this Agreement for or on account of any present or future Taxes if and to the extent so required by any applicable law and any current or future regulations or agreements thereunder or official interpretations thereof or any law implementing an intergovernmental approach thereto or by virtue of the relevant holder failing to satisfy any certification or other requirements in respect of the Covered Bonds, in which event the Custodian shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted, and shall have no obligation to gross up any payment hereunder or pay any additional amount as a result of such withholding or deduction.
- 11.2 Where there is a withholding on amounts paid by the Custodian, the Custodian shall:
- (a) furnish to the LLP or the Security Trustee (as the case may be) within the period for payment permitted by the relevant law, either:
 - (i) an official receipt of the relevant taxation authorities involved in respect of all amounts so deducted or withheld; or
 - (ii) if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding; and
 - (iii) account to the LLP or the Security Trustee (as the case may be) in full by credit to the Account, for an amount equal to the amount of any repayment or reimbursement of any deduction or withholding which the Custodian has made in error pursuant to this Clause and which is subsequently received by the Custodian from HM Revenue and Customs.

- 11.3 In order to comply with applicable tax laws (inclusive of any current and future laws when brought into force, rules, regulations, intergovernmental agreements and interpretations thereof promulgated by competent authorities) related to this Agreement in effect from time to time (Tax Law), each party shall, within ten business days of a written request by another party, supply to that other party such forms, documentation and other information relating to it, its operations, or the Covered Bonds as that other party reasonably requests for the purposes of that other party's compliance with a Tax Law and shall notify the relevant other party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such party is (or becomes) inaccurate in any material respect; provided, however, that no party shall be required to provide any forms, documentation or other information pursuant to this Clause 11.4 to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such party and cannot be obtained by such party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such party constitute a breach of any Requirement of Law, fiduciary duty or duty of confidentiality
- 11.4 The LLP shall be liable for all taxes, assessments, duties and other governmental charges, including interest and penalties, with respect to any Cash and Securities held on behalf of the LLP and any transaction related thereto. To the extent that the Custodian has received relevant and necessary information with respect to the Accounts, the Custodian shall perform the following services with respect to Tax Obligations:
- (a) The Custodian shall, upon receipt of sufficient information, file claims for exemptions or refunds with respect to withheld taxes in instances in which the Custodian considers that such claims are appropriate;
 - (b) The Custodian shall withhold appropriate amounts, as required by applicable tax laws, with respect to amounts received upon receipt of Instructions; and
 - (c) The Custodian shall provide to the LLP such information received by the Custodian that could, in the Custodian's reasonable belief, assist the LLP or its designee in the submission of any reports or returns with respect to Tax Obligations. An Authorised Person shall inform the Custodian in writing as to which Party or Parties shall receive information from the Custodian.

The Custodian shall not be responsible for determining whether Tax Obligations exist in respect of the LLP and the assets held in the Accounts.

12. REMUNERATION AND INDEMNITY

- 12.1 The LLP shall, subject to the provisions of the Deed of Charge, pay to the Custodian for its services under this Agreement such fees, costs and expenses in respect of its services as shall be agreed in writing between the LLP and the Custodian from time to time.
- 12.2 The fees, cost and expenses referred to in Clause 12.1 shall be payable to the Custodian by the LLP. Such fees, costs and expenses and any other amount payable to the Custodian or any BNY Mellon Affiliate for its own account under this Agreement shall be for the full amount and include such part thereof as represents VAT, save to the extent that the Custodian (or as the case may be the relevant BNY Mellon Affiliate) is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- 12.3 Subject to and in accordance with the provisions of this Agreement and the Deed of Charge, the LLP will promptly reimburse the Custodian for all out-of-pocket expenses properly incurred by the Custodian in performance of its role under this Agreement (including, but not limited to, all legal

fees, stamp and other documentary duties or taxes and expenses incurred in connection with the preparation and negotiation of this Agreement).

- 12.4 The fees, commissions and expenses payable to the Custodian for services rendered and the performance of its obligations under this Agreement shall not be abated by any remuneration or other amounts or profits receivable by the Custodian (or to its knowledge by any of its associates) in connection with any transaction effected by the Custodian with or for the LLP.
- 12.5 Subject to the Priorities of Payments, the LLP will indemnify and hold harmless the Custodian and BNY Mellon Affiliates from and against any and all Losses (including, but not limited to, penalties, taxes, judgments and awards, counsel fees and expenses in third party suits and all proper costs, charges and expenses paid or incurred in disputing or defending any of the Losses) which it may incur or which may be made against it arising out of or in relation to or in connection with its appointment or the exercise of its functions under this Agreement, except such as may result from its own wilful misconduct, negligence or fraud or that of its officers or employees. Subject to the Priorities of Payments, notwithstanding any other provision of this Agreement, the LLP shall indemnify the Custodian against any liability or loss howsoever incurred (unless incurred as a result of wilful misconduct, fraud or negligence of the Custodian) in connection with the Custodian obligation to withhold or deduct an amount of tax. The Custodian shall hold the benefit of this Clause 12.5 on trust for itself and for each BNY Mellon Affiliate. Whether or not to seek to enforce this Clause 12.5 on behalf of any such person shall be entirely at the discretion of the Custodian. This Clause 12.5 shall survive termination of this Agreement or the resignation or replacement of the Custodian.

13. TERMINATION

- 13.1 The LLP (with the prior written approval of the Security Trustee) (prior to the service of a LLP Acceleration Notice) and (following the service of a LLP Acceleration Notice) the Security Trustee, may terminate any of the arrangements set out in this Agreement in respect of the Accounts and close such Accounts held at the Custodian upon giving 60 days' prior written notice to the Custodian or where the Custodian ceases to have the Custodian Rating, not less than 30 days following the Custodian ceasing to have the Custodian Rating provided, in each case, that no such termination shall take effect until a new Custodian has been appointed by the LLP which satisfies the requirements set out in Clause 13.3(b).
- 13.2 The Custodian may resign its appointment hereunder at any time without reason by giving to each of the LLP, the Cash Manager and the Security Trustee at least 60 days' prior written notice, provided that so long as any of the Covered Bonds are outstanding, no such resignation shall take effect until a bank, which satisfies the requirements set out in Clause 13.3(b), shall have been appointed to exercise the powers and undertake the duties hereby conferred and imposed upon the Custodian. The LLP will use its reasonable endeavours to appoint a new Custodian within 45 days of receipt of notice of resignation from the Custodian. If by the day falling 10 days before the expiry of any notice, the LLP has not appointed a new Custodian that meets the requirements of Clause 13.3(b), the Custodian may (with the prior approval of the Security Trustee) appoint a new Custodian in its place provided that the new Custodian meets the requirements set out in Clause 13.3(b).
- 13.3 The appointment of the Custodian in respect of the Accounts will terminate pursuant to this Clause 13 on the later of:
- (a) the expiry of the notice period specified in Clause 13.1 and 13.2 above; and
 - (b) the date on which a new Custodian has been appointed by the LLP or the Custodian (as applicable) and the following requirements have been met:

- (i) the new Custodian has agreed to be bound by the provisions of this Agreement and the Deed of Charge;
- (ii) the rate of remuneration of the new Custodian has been agreed; and
- (iii) the new Custodian has the Custodian Rating, is a bank for the purposes of section 991 of the ITA 2007 and security has been granted by the LLP over the new accounts in accordance with the terms of the Deed of Charge.

- 13.4 Upon giving notice to the Custodian in accordance with Clause 13.1, the LLP will use its reasonable endeavours to appoint a new Custodian that meets the requirements of Clause 13.3(b), prior to the expiry of the 60 day notice period.
- 13.5 If not otherwise terminated in accordance with the other provisions of this Clause 13, this Agreement shall terminate on the date on which there are no further Secured Obligations outstanding.
- 13.6 On termination of the appointment of the Custodian hereunder, the Custodian shall be entitled to receive all fees and other moneys accrued up to the date of termination but shall not be entitled to any other or further compensation. Such moneys so due to the Custodian shall be paid by the LLP on the date of termination subject always to the provisions of the Deed of Charge.
- 13.7 Upon any resignation or revocation taking effect under this Clause 13 the Custodian shall, without prejudice to any rights and obligations accrued hereunder prior to such resignation or revocation taking effect, be released and discharged from its obligations under this Agreement and shall not be responsible for any liabilities incurred as a result of such resignation.
- 13.8 The provisions of Clauses 11.1, 11.3, 10, 12, 18, 20 and, without prejudice to the foregoing, any other indemnity and limitation of liability provisions set out in this Agreement shall survive its termination provided that the obligations under Clause 20 will expire 12 months after the termination of this Agreement.
- 13.9 Upon termination of this Agreement and payment of all amounts due and owing to the Custodian, the Custodian shall deliver the Property and all records relating to the Property pursuant to the LLP's Instructions. The LLP shall be responsible and liable for any shipping and insurance costs associated with such delivery.
- 13.10 Any corporation into which the Custodian may be merged or converted, or any corporation with which the Custodian may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Custodian shall be a party, or any corporation to which the Custodian shall sell or otherwise transfer all or substantially all of its assets shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Custodian under this Agreement without the execution or filing of any paper or any further act on the part of the parties to this Agreement, unless otherwise required by the LLP or the Security Trustee, and after the said effective date all references in this Agreement to the Custodian shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall immediately be given to the LLP and the Security Trustee by the Custodian.

14. NO PARTNERSHIP OR AGENCY

No provision of this Agreement creates a partnership between any of the parties or makes a party to this Agreement the agent of another party for any purpose other than as specifically set out in this Agreement.

15. AMENDMENT AND WAIVER

15.1 Subject to the provisions of the Trust Deed and the Deed of Charge, any term of this Agreement may be amended or waived with the written agreement of each of the parties to this Agreement. Where the Custodian is required to amend this Agreement to comply with any Requirement of Law, subject to the provisions of the Trust Deed and the Deed of Charge the consent of the Parties to this Agreement will not be unreasonably withheld or refused.

15.2 The rights of each party to this Agreement:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any right is not a waiver of that right.

16. SEVERABILITY

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

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

17. NOTICES

Any notice to the LLP, the Security Trustee, the Cash Manager or the Custodian to be given, made or served for any purposes under this Agreement shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas) or facsimile transmission or by delivering it by hand as follows:

If to the LLP to:

Leeds Building Society Covered Bond Limited Liability Partnership, 105 Albion Street, Leeds LS1 5AS, Facsimile: +44 (0) 113 225 7859), for the attention of: Paul Riley;

If to the Security Trustee to:

Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB, Facsimile: +44 (0) 20 7547 5919), for the attention of: Managing Director (TSS-SFS);

If to the Cash Manager to:

Leeds Building Society, 105 Albion Street, Leeds LS1 5AS, Facsimile: +44 (0) 113 225 7859), for the attention of: Paul Riley; and

If to the Custodian to:

The Bank of New York Mellon, acting through its London Branch, 40th Floor, One Canada Square, London E14 5AL, Facsimile: 0044 (0)207 964 2534, for the attention of: Corporate Trust Services,

or to such other address or facsimile number as shall have been notified (in accordance with this clause) to the other party hereto. All notices shall be effective upon receipt.

18. ASSIGNMENT

- 18.1 Except as stated in Clause 13.10 above or Clause 18.2, 18.3 and 18.4 below, no party to this Agreement is permitted to assign or transfer any of its rights and obligations under this Agreement without the prior written consent of the other parties to this Agreement.
- 18.2 The Security Trustee may upon prior written notice to the LLP and Custodian assign its rights under this Agreement to any additional or successor Security Trustee or Security Trustees under the Deed of Charge except that the successor Security Trustee shall not become party to this Agreement until the Custodian considers that it has performed sufficient due diligence in relation to the successor Security Trustee to satisfy the requirements of all relevant Regulations, and all applicable anti-money laundering laws, regulations and rules in the United Kingdom and the United States.
- 18.3 The Custodian may assign or novate its rights and or obligations under this Agreement to any BNY Mellon Affiliate.
- 18.4 The LLP may assign its rights under this Agreement pursuant to the Deed of Charge.

19. SECURITY TRUSTEE

- 19.1 In the event that there is any change in the identity of the Security Trustee in accordance with the Deed of Charge, the retiring Security Trustee, the Cash Manager, the Custodian and the LLP shall execute such documents and take such actions as such new Security Trustee may reasonably require for the purpose of vesting in such new Security Trustee the rights of the retiring Security Trustee under this Agreement and the Deed of Charge and, if so determined by the new Security Trustee, releasing the retiring Security Trustee from further obligations thereunder.
- 19.2 It is hereby acknowledged and agreed that by its execution of this Agreement the Security Trustee shall not assume or have any obligations or liabilities to the Custodian, the Cash Manager or the LLP or any other party to this Agreement or any third party under or in connection with this Agreement notwithstanding any provision herein and that the Security Trustee has agreed to become a party to this Agreement for the purpose only of taking the benefit of this Agreement. For the avoidance of doubt, the parties to this Agreement acknowledge that the rights and powers and duties of and any determination by the Security Trustee are governed by the Deed of Charge. Any liberty or right which may be exercised (or not exercised, as the case may be) or determination which may be made under this Agreement by the Security Trustee may be exercised (or not exercised, as the case may be) or made in the Security Trustee's absolute discretion or as directed by the Bond Trustee pursuant to the Deed of Charge without any obligation to give reasons therefor and the Security Trustee shall not be responsible for any liability occasioned by so acting but subject always to the provisions of the Deed of Charge. For the avoidance of doubt and without prejudice to the obligations of the LLP, neither the Security Trustee nor any receiver or Appointee appointed pursuant to the Deed of Charge shall be liable to pay any amounts due under this Agreement.
- 19.3 The Security Trustee shall not have any duty to monitor or supervise the performance by the Custodian of its duties and obligations under this Agreement or any other Transaction Document (and the Security Trustee shall be entitled to assume that the Custodian is performing its duties and obligations thereunder until it has actual knowledge to the contrary) nor shall the Security Trustee be in any way liable for any Losses suffered by any party hereto or any other party resulting from the acts or omissions of the Custodian or any of its agents, sub-contractors, representatives or delegates in the discharge of any of the duties and obligations the Custodian is obliged to perform as the agent of, among others, the Security Trustee.

20. CONFIDENTIALITY

Subject to Clauses 8.2(e), 8.3, 8.5 and 8.6, none of the parties hereto shall during the continuance of this Agreement or after its termination disclose to any person, firm or company whatsoever (other than the parties hereto) any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may have come into possession in the course of its duties hereunder or otherwise and all the parties hereto shall use all reasonable endeavours to prevent any such disclosure as aforesaid provided however that the provisions of this Clause shall not apply:

- (a) to any information already known to the recipient otherwise than as a result of entering into any of the Transaction Documents;
- (b) to any information subsequently received by the recipient which it would otherwise be free to disclose;
- (c) to any information which is or becomes public knowledge otherwise than as a result of the conduct of the recipient;
- (d) to any extent that the recipient is required to disclose the same pursuant to any law (including the laws governing the issuers of, or governing, the Securities), regulation or order of any court or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other authority (including, without limitation, any official bank examiners or regulators and any stock exchange on which the Covered Bonds are listed at that time);
- (e) to the extent that the recipient needs to disclose the same for the protection or enforcement of any of its rights under any of the agreements and documents referred to in sub-clause (a) above or in connection herewith or therewith or for discussion with HM Revenue & Customs (or any other relevant taxation authority) or concerning any tax liability arising in connection with the Transaction Documents or, in the case of the Security Trustee, for the purpose of discharging, in such manner as it thinks fit, its duties and functions under or in connection with such agreements and documents, in each case to such persons as require to be informed of such information for such purposes;
- (f) for the purpose of discharging, in such manner as any party thinks fit, its duties under or in connection with the Transaction Documents;
- (g) to any information which the Rating Agency may require to be disclosed to it (such disclosure to be made in such form and manner as to comply with any applicable law or regulation); or
- (h) to the information regarding the parties contained in the prospectus of the LLP relating to the Covered Bonds.

21. NON-PETITION

- 21.1 The Custodian covenants with the LLP that it shall not take any corporate action or other steps or legal proceedings for the winding-up, dissolution or re-organisation, or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of the LLP.
- 21.2 The Custodian agrees that it shall have no recourse, in respect of any obligation, covenant or agreement of the LLP, against any shareholder, officer, agent or director of the LLP.

21.3 The provisions of this Clause 21 shall survive the termination of this Agreement.

22. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the parties hereto had executed a single copy of this Agreement.

23. ENTIRE AGREEMENT

This Agreement, any related fee agreement and the Master Definitions and Construction Schedule contains the whole agreement between the parties hereto and supersede all previous agreements, whether oral or written, and documents with respect to such matters. Each party acknowledges and agrees that: (i) it has not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated; and (ii) its only right and remedy in relation to any representation, warranty or undertaking shall be for breach of the terms of this Agreement to the exclusion of all other rights and remedies.

24. NOTIFICATION OF SERVICE OF AN LLP ACCELERATION NOTICE

If an LLP Acceleration Notice is served on the LLP, the LLP will promptly provide a copy of such notice to the Custodian.

25. THIRD PARTY RIGHTS

A person who is not a party to this Agreement has no rights 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 the Contracts (Rights of Third Parties) Act 1999.

26. MISCELLANEOUS

26.1 Any complaints relating to the performance of the Custodian's obligations under this Agreement should be addressed to the Chief Executive Officer.

26.2 The Bank of New York Mellon Corporation has adopted an incentive compensation scheme designed (i) to facilitate clients gaining access to and being provided with explanations about the full range of products and services offered by BNY Mellon Affiliates and (ii) to expand and develop client relationships. This scheme may lead to the payment of referral fees and/or bonuses to employees of BNY Mellon Affiliates who may have been involved in a referral that resulted in the obtaining of products or services by the LLP or the Security Trustee covered by this Agreement or which may be ancillary or supplemental to such products or services. Any such referral fees or bonuses are funded solely out of fees and commissions paid by the LLP under this Agreement or with respect to such ancillary or supplemental products.

26.3 Any telephone conversation with the Custodian may be recorded by the Custodian and the Custodian may retain any such recording in accordance with its internal policies from time to time.

26.4 The Custodian is hereby authorised and empowered, in its sole discretion, to take any action with respect to an Account that it deems necessary or appropriate in carrying out the purposes of this Agreement.

26.5 The LLP hereby acknowledges and agrees that the Custodian's main establishment is located at its principal office in New York.

Each of the LLP, the Cash Manager and the Security Trustee agrees to provide to the Custodian, on the date of this Agreement, a certificate (substantially in the form attached hereto as Schedule 1) of a duly authorised officer of the LLP, the Cash Manager and the Security Trustee respectively, setting out the names and signatures of the persons authorised to sign this Agreement, and any Instructions and other documents to be delivered by such authorised persons pursuant thereto. The Custodian is authorised to comply with and rely upon any such notices, Instructions or other communications believed by it to have been sent or given by the other Parties (or their Authorised Persons) without being under any obligation to verify or ascertain its truthfulness, genuineness, correctness or adequacy.

- 26.6 The Bank of New York Mellon is a member of the FSCS. In respect of deposits, details of this scheme, and the eligibility of the Client to receive compensation in the event that The Bank of New York Mellon is unable to meet its financial obligations, will be provided separately by The Bank of New York Mellon. The Client may also be entitled to compensation from the FSCS in respect of its Securities if The Bank of New York Mellon cannot meet its obligations. This depends on the type of business and circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000.

For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website www.FSCS.org.uk or call the FSCS on 0800 678 1100 or 020 7741 4100. Please note only compensation related queries should be directed to the FSCS.

27. WAIVER

The waiver of or failure or delay by any Party in exercising any right or remedy hereunder shall not preclude or inhibit the subsequent exercise of such right or remedy. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any other provision; and if any provision is held to be unenforceable as a matter of law, the other provisions shall remain in full force and effect. The rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by law.

28. JURISDICTION


- 28.1 The courts of England shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement (including a dispute relating to any non-contractual obligations in connection with this Agreement). The Parties agree, each for the benefit of the other, that the English courts are the most appropriate and convenient courts to deal with any such disputes and, accordingly, they shall not argue to the contrary.
- 28.2 Nothing in this Clause 28 shall affect the rights of process in any other manner permitted by law.

29. GOVERNING LAW

This Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by, and construed in accordance with, English law.

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

SCHEDULE 1
SIGNATURE CERTIFICATE
LLP
AUTHORISED PERSONS

| Name | Specimen signature | Telephone Number |
|------------------------------|---|------------------|
| SFM Directors Limited | see attached authorised signatory list | 0207 398 6300 |
| SFM Directors (No.2) Limited | see attached authorised signatory list | 0207 398 6300 |
| Robert Berry | see attached authorised signatory list | 0207 398 6300 |
| Robin Litten |  | 0113 225 7506 |
| Gary Mitchell |  | 0113 225 7512 |
| Oliver Stowe |  | 0113 216 7446 |
| John Pettinger |  | 0113 225 7776 |
| Paula Shann |  | 0113 216 7371 |
| Caroline Dale |  | 0113 225 7673 |

ADDITIONAL CALLBACK CONTACTS


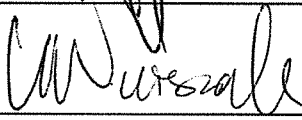



| Name | Telephone Number |
|------|------------------|
| | |
| | |

Signed this 30 August, 2016


 Capacity: _____

SFM DIRECTORS LIMITED
(Registered in England and Wales No. 03920254)

AUTHORISED SIGNATORY LIST

| Name: | Title: | Specimen Signature: |
|------------------------|-------------------------------|---|
| Robert Berry | Director |  |
| Helena Whitaker | Company Secretary Director |  |
| Claudia Wallace | Director |  |
| J-P Nowacki | Director |  |
| Vinoy Nursiah | Director |  |
| Debra Parsall | Director |  |
| Susan Abrahams | Director |  |
| Michael Drew | Company Secretary |  |
| Aline Sternberg | Company Secretary |  |

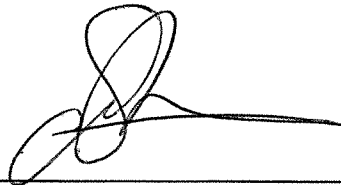
This Authorised Signatory List is not valid unless it bears the original signatures of two of the authorised signatories named above.

Certified as a true copy

Dated this 30 day of August, 2016



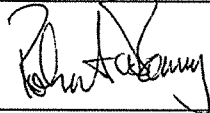


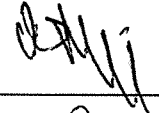
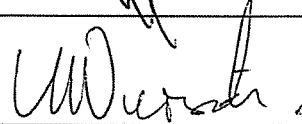

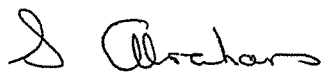
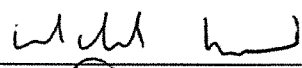
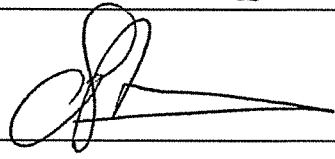
Authorised Signatory



Authorised Signatory

SFM DIRECTORS (NO.2) LIMITED
(Registered in England and Wales No. 04017430)

AUTHORISED SIGNATORY LIST

| Name: | Title: | Specimen Signature: |
|------------------------|--------------------------------|---|
| Robert Berry | Director |  |
| Helena Whitaker | Company Secretary. Director |  |
| Claudia Wallace | Director |  |
| J-P Nowacki | Director |  |
| Vinoy Nursiah | Director |  |
| Debra Parsall | Director |  |
| Susan Abrahams | Director |  |
| Michael Drew | Company Secretary |  |
| Aline Sternberg | Company Secretary |  |

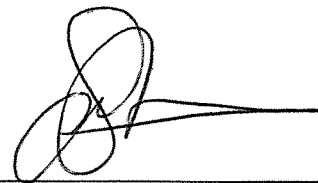
This Authorised Signatory List is not valid unless it bears the original signatures of two of the authorised signatories named above.

Certified as a true copy

Dated this 30 day of August 2016



Authorised Signatory



Authorised Signatory

SIGNATURE CERTIFICATE

SECURITY TRUSTEE

AUTHORISED PERSONS

| Name | Specimen signature | Telephone Number |
|-------------|---------------------------|-------------------------|
| | | |
| | | |
| | | |
| | | |

ADDITIONAL CALLBACK CONTACTS

| Name | Telephone Number |
|-------------|-------------------------|
| | |
| | |

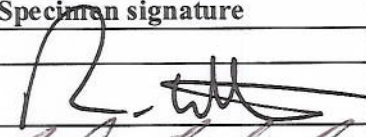
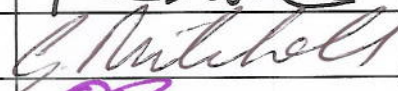




Signed this _____, 20____

Capacity:

SIGNATURE CERTIFICATE


CASH MANAGER

AUTHORISED PERSONS

| Name | Specimen signature | Telephone Number |
|----------------|---|------------------|
| |  | |
| Robin Litten | | 0113 225 7506 |
| Gary Mitchell |  | 0113 225 7512 |
| Oliver Stowe |  | 0113 216 7446 |
| John Pettinger |  | 0113 225 7776 |
| Paula Shann |  | 0113 216 7371 |
| Caroline Dale |  | 0113 225 7673 |

ADDITIONAL CALLBACK CONTACTS

| Name | Telephone Number |
|------|------------------|
| | |
| | |

Signed this 30 August, 2016


Capacity:

SCHEDULE 2

FORM OF NOTICE FROM SECURITY TRUSTEE PURSUANT TO CLAUSE 5.1(D)

[On headed paper of [SECURITY TRUSTEE]]

To: The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
England
For the attention of: [●]
Fax number: +44 20 7964 [●]

Copy: [LLP's name and address]

[Date]

Custody Agreement by and between Leeds Building Society Covered Bonds Limited Liability Partnership (as LLP), Deutsche Trustee Company Limited (as Security Trustee), Leeds Building Society (as Cash Manager and Seller) and The Bank of New York Mellon, London Branch (as Custodian) dated [date] (the Agreement)

This notice is given by us in our capacity as Security Trustee pursuant to Clause 5.1(d) of the Agreement. Capitalised terms not otherwise defined herein shall have the meanings given thereto in the Agreement.

[Further to the occurrence of the delivery of an LLP Acceleration Notice, we hereby require you, with effect from [the date of this notice]], to thereafter:

[include one or more of the following as required:]

- (a) cease to act upon any Authorised Instructions of the LLP (or any agent of the LLP) in relation to the Securities, and act in respect of any action to be taken in connection with the Securities upon our Instructions (subject to the terms of the Agreement);
- (b) procure payment or delivery, as the case may be, of all sums, documents and records held by you in respect of the Securities to us or [insert such other direction as applicable], provided that this notice shall be deemed not to apply to any documents or records which you are obliged by any law, applicable policy or regulation not so to release;
- (c) as soon as reasonably practicable, take all necessary steps to hold the relevant Securities and all sums, documents and records in respect thereof on our behalf; and
- (d) act as our Custodian in relation to any action to be taken in connection with the Securities, in which such circumstances all terms of the Agreement shall apply, as if all references in the Agreement to the LLP (other than in Clause 5.1(d)) were references to us (as the Security Trustee) (save that our liability for the indemnification and remuneration of you shall be limited to the amounts for the time being held by us (as Security Trustee) on the trusts of the Deed of Charge and available to us for this purpose), in accordance with the provisions of the Agreement.

Yours faithfully

Security Trustee

By: _____

Name: _____

SCHEDULE 3

FORMS OF INSTRUCTIONS UNDER CLAUSE 9.2

PART 1

INSTRUCTION (CASH)

TO BE ON HEADED PAPER OF INSTRUCTING PARTY

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
England
For the attention of: [●]
Fax number: +44 20 7964 [●]
Email: [●]

Date [●]

Custody Agreement by and between Leeds Building Society Covered Bonds Limited Liability Partnership (as LLP), Deutsche Trustee Company Limited (as Security Trustee), Leeds Building Society (as Cash Manager and Seller) and The Bank of New York Mellon, London Branch (as Custodian) dated [date] (the Agreement)

Dear Sirs,

This Instruction is being given to you pursuant to Clauses 5.1(d)/9.2 of the Agreement. Capitalised terms not otherwise defined herein shall have the meanings given thereto in the Agreement.

You are hereby instructed to pay the following amount[s] from the Cash Account specified below:

- (a) payment from: Cash Account [●]
- (b) transfer to: [SWIFT code/sort code]
[account name]
[account number/IBAN]
- (c) beneficiary bank: [SWIFT code/sort code]
- (d) account name: [●]
- (e) account number: [●]
- (f) IBAN: [●]
- (g) amount and currency: [●]
- (h) reference: [●]

(i) value date: [●]

The governing law of the Agreement shall apply equally to this Instruction.

Yours faithfully,

¹[LLP

By: _____

Name: _____

Security Trustee²

By: _____

Name: _____

¹ Omit where Clause 5.1(d) applies.

² Omit where Clause 9.2 applies.

PART 2

INSTRUCTION (SECURITIES OUT)

TO BE ON HEADED PAPER OF INSTRUCTING PARTY

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
England
For the attention of: [●]
Fax number: +44 20 7964 [●]
Email: [●]

Date [●]

Custody Agreement by and between Leeds Building Society Covered Bonds Limited Liability Partnership (as LLP), Deutsche Trustee Company Limited (as Security Trustee), Leeds Building Society (as Cash Manager and Seller) and The Bank of New York Mellon, London Branch (as Custodian) dated [date] (the Agreement)

Dear Sirs,

This Instruction is being given to you pursuant to Clauses 5.1(d)/9.2 of the Agreement. Capitalised terms not otherwise defined herein shall have the meanings given thereto in the Agreement.

You are hereby instructed to make the following transfer[s] from the Securities Account specified below:

- (j) transfer from: Securities Account [●]
- (k) transfer to: [counterparty name]
[participant account of counterparty]
- (l) type of instruction [deliver free of payment/deliver vs. payment]
- (m) Depository: [Depository name that Securities are held in]
- (n) trade date: [●]
- (o) settlement date: [●]
- (p) daylight indicator: [on/off/N.A.]

| asset type | ISIN | nominal | currency | trade value |
|------------|------|---------|----------|-------------|
| | | | | |
| | | | | |

The governing law of the Agreement shall apply equally to this Instruction.

Yours faithfully,

³[LLP

By: _____

Name: _____

Security Trustee⁴

By: _____

Name: _____

³ Omit where Clause 5.1(d) applies
⁴ Omit where Clause 9.2 applies.

PART 3

INSTRUCTION (SECURITIES IN)

TO BE ON HEADED PAPER OF INSTRUCTING PARTY

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
England
For the attention of: [●]
Fax number: +44 20 7964 [●]
Email: [●]

Date [●]

Custody Agreement by and between Leeds Building Society Covered Bonds Limited Liability Partnership (as LLP), Deutsche Trustee Company Limited (as Security Trustee), Leeds Building Society (as Cash Manager and Seller) and The Bank of New York Mellon, London Branch (as Custodian) dated [date] (the Agreement)

Dear Sirs,

This Instruction is being given to you pursuant to Clauses 5.1(d)/9.2 of the Agreement. Capitalised terms not otherwise defined herein shall have the meanings given thereto in the Agreement.

You are hereby instructed to make the following receipt[s] into the Securities Account specified below:

- (a) transfer to: Securities Account [●]
- (b) transfer from: [counterparty name]
[participant account of counterparty]
- (c) type of instruction [receive free of payment/receive vs. payment]
- (d) Depository: [Depository name that Securities are held in]
- (e) trade date: [●]
- (f) settlement date: [●]
- (g) daylight indicator: [on/off/N.A.]

| asset type | ISIN | nominal | currency | trade value |
|------------|------|---------|----------|-------------|
| | | | | |
| | | | | |

We hereby confirm that the above assets comply with the definition of Securities in the Custody Agreement.

The governing law of the Agreement shall apply equally to this Instruction.

Yours faithfully,

⁵[LLP]

By: _____

Name: _____

Title: _____

Security Trustee⁶

By: _____

Name: _____

Title: _____

⁵ Omit where Clause 5.1(d) applies.

⁶ Omit where Clause 9.2 applies.

SIGNATORIES

Custodian

SIGNED by)
for and on behalf of)
THE BANK OF NEW YORK MELLON,)
ACTING THROUGH ITS LONDON BRANCH)



Justen Bersin
Authorised Signatory

Security Trustee

SIGNED by)
for and on behalf of)
DEUTSCHE TRUSTEE COMPANY LIMITED)

By:

Name:

Title:

By:

Name:

Title:

LLP

SIGNED by)
for and on behalf of)
LEEDS BUILDING SOCIETY)
COVERED BONDS LIMITED LIABILITY)
PARTNERSHIP)
as LLP)
acting by its attorney)

Cash Manager

SIGNED by)
for and on behalf of)
LEEDS BUILDING SOCIETY)
acting by its attorney)

SIGNATORIES

Custodian

SIGNED by)
for and on behalf of)
THE BANK OF NEW YORK MELLON,)
ACTING THROUGH ITS LONDON BRANCH)
)

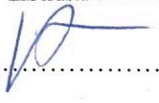
Security Trustee

SIGNED by)
for and on behalf of)
DEUTSCHE TRUSTEE COMPANY LIMITED)
)

By: 

Name:

| |
|---|
| Françoise Rivière Associate Director |
|---|

Title:
By: 

Name: Hannah Ward
Title: Associate Director

LLP

SIGNED by)
for and on behalf of)
LEEDS BUILDING SOCIETY)
COVERED BONDS LIMITED LIABILITY)
PARTNERSHIP)
as LLP)
acting by its attorney)

Cash Manager

SIGNED by)
for and on behalf of)
LEEDS BUILDING SOCIETY)
acting by its attorney)

SIGNATORIES

Custodian

SIGNED by)
for and on behalf of)
THE BANK OF NEW YORK MELLON,)
ACTING THROUGH ITS LONDON BRANCH)
)

Security Trustee

SIGNED by)
for and on behalf of)
DEUTSCHE TRUSTEE COMPANY LIMITED)
)

By:

Name:

Title:

By:

Name:

Title:

LLP

SIGNED by)
for and on behalf of)
LEEDS BUILDING SOCIETY)
COVERED BONDS LIMITED LIABILITY)
PARTNERSHIP)
as LLP)
acting by its attorney)



Cash Manager

SIGNED by)
for and on behalf of)
LEEDS BUILDING SOCIETY)
acting by its attorney)

SIGNATORIES

Custodian

SIGNED by)
for and on behalf of)
THE BANK OF NEW YORK MELLON,)
ACTING THROUGH ITS LONDON BRANCH)

Security Trustee

SIGNED by)
for and on behalf of)
DEUTSCHE TRUSTEE COMPANY LIMITED)

By:

Name:

Title:

By:

Name:

Title:

LLP

SIGNED by)
for and on behalf of)
LEEDS BUILDING SOCIETY)
COVERED BONDS LIMITED LIABILITY)
PARTNERSHIP)
as LLP)
acting by its attorney)

Cash Manager

SIGNED by)
for and on behalf of)
LEEDS BUILDING SOCIETY)
acting by its attorney)

