

THE COMMISSIONERS OF HER MAJESTY'S TREASURY
RULES OF THE 2008 CREDIT GUARANTEE SCHEME

1. General

- 1.1 On 8 October 2008 The Commissioners of Her Majesty's Treasury announced the Scheme (as defined below) and on 13 October 2008 the Deed of Guarantee (as referred to below) was executed on behalf of The Commissioners of Her Majesty's Treasury.
- 1.2 These are the amended Rules of the Scheme that came into force on 13 October 2008.

2. Definitions

- 2.1 In these Rules the following expressions have the following meanings:

Applicant	means the Eligible Institution making an Application
Application	means an application made under Rule 4.1 or Rule 4.5
Business Day	means a day (excluding Saturday and Sunday) on which banks are generally open in London for the transaction of banking business
Cessation Date	has the meaning given in Rule 7.6
Counter-Indemnity	means each deed of counter-indemnity to be provided under Rule 5.2.2
Currency Business Day	in respect of a currency means: (i) in the case of a currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and (ii) in the case of Euro, a day on which TARGET 2 (the Trans-European Automated Real-Time Gross Settlement Express Transfer System) (or any successor thereto) is operating
DMO	means The United Kingdom Debt Management Office
Eligible Scheme Liabilities	means any liability of an Eligible Institution which satisfies the Instrument Eligibility Criteria
Fee	means the fee in respect of an Eligibility Certificate determined by the Guarantor in accordance with Rule 7

Fee Letter	in respect of a Fee means the letter referred to in Rule 7.7 in respect of that Fee
Final Application Date	has the meaning given in Rule 4.1
Guarantee	means the guarantee contained in the Deed of Guarantee in respect of the Scheme dated 13 October 2008, as amended by a supplemental deed dated 20 October 2008 and by a second supplemental deed dated 6 February 2009 , and executed on behalf of The Commissioners of Her Majesty's Treasury, as amended from time to time
Guarantee Statement	means the statement referred to in Rule 8.1
Guarantor	means The Commissioners of Her Majesty's Treasury
Institution Criteria	means the criteria set out in Annex 2
Instrument Eligibility Criteria	means the criteria set out in Annex 4
Maturing Liabilities	means liabilities, of the Eligible Institution or of a company which either is directly or indirectly wholly owned by the Eligible Institution or directly or indirectly wholly owns the Eligible Institution, and incorporated in the United Kingdom, maturing after the date of commencement of the Scheme
Recognition Date	in respect of an Initial Eligible Institution means 13 October 2008 and in respect of an Eligible Institution which is not an Initial Eligible Institution the date of the Institution Certificate with respect to that Eligible Institution
these Rules	means these Rules as amended and supplemented and in force from time to time
Scheme	means the 2008 Credit Guarantee Scheme described in the Market Notice entitled "The UK Government's 2008 Credit Guarantee Scheme" issued by the DMO on 13 October 2008
Start Date	has the meaning given in Rule 7.4.

2.2 Words and expressions defined in the Guarantee have the same meanings where used in these Rules.

2.3 References to an Annex are to an Annex to these Rules.

3. Institution Certificates

- 3.1 The Guarantor may, at the written request of an institution which is not an Initial Eligible Institution, issue an Institution Certificate to and in respect of that institution provided that it satisfies the Institution Criteria. The written request must be delivered to Team Leader, Intervention Strategy and Markets HM Treasury, 1 Horse Guards Road, London SW1A 2HQ.
- 3.2 Except at the absolute discretion of the Guarantor, no more than one member of a corporate group may be issued with an Institution Certificate.
- 3.3 An Institution Certificate shall be substantially in the form of Annex 3.
- 3.4 The Guarantor may require the delivery to it of the documents referred to in Rule 5.3 as a condition precedent to the issue of an Institution Certificate.

4. Applications

- 4.1 An Eligible Institution shall be entitled, until (and including) 31 December 2009 (the "**Final Application Date**") (or such later date as may be determined by the Guarantor in its discretion), to apply for an Eligibility Certificate in respect of a proposed Eligible Scheme Liability.
- 4.2 An Application must be made in the form of Annex 1.
- 4.3 Unless otherwise agreed by the DMO, the signed Application must be delivered by hand to the DMO at Eastcheap Court, 11 Philpot Lane, London EC3M 8UD.
- 4.4 An Application which is incomplete or incorrect will be treated as not having been made.
- 4.5 Notwithstanding Rule 4.1, an Eligible Institution shall be entitled to apply, after the Final Application Date, for an Eligibility Certificate in respect of an Eligible Scheme Liability provided that the Eligible Scheme Liability is to be issued by the Eligible Institution solely for the purpose of refinancing a Guaranteed Liability of the Eligible Institution within seven calendar days of the latter's scheduled maturity.

5. Issue of Eligibility Certificate and Issuance of Guaranteed Liability

- 5.1 The decision to issue an Eligibility Certificate shall be at the discretion of the Guarantor, but shall be made in accordance with these Rules, save that the Guarantor shall, subject always to compliance with these Rules, issue an Eligibility Certificate in respect of each Eligible Scheme Liability which is the subject of an Application made under Rule 4.5.
- 5.2 No Eligibility Certificate in respect of an Eligible Scheme Liability will be issued unless, prior to the issue, the following conditions have been fulfilled:

- 5.2.1 an Application shall have been duly delivered by the Applicant to the DMO under Rule 4.1 or Rule 4.5,
 - 5.2.2 the Applicant shall have delivered to the DMO a legal opinion in respect of the valid, binding and enforceable nature of the obligations to be comprised in the Eligible Scheme Liability, in form and substance satisfactory to the DMO, from the external legal advisers to the issuer and guarantor(s) (if any) of the Eligible Scheme Liability; where the Eligible Scheme Liability is to be issued under a programme, the legal opinion may take the form of the most recent legal opinion issued to the arranger of the programme in connection with the establishment or (as the case may be) update of the programme, and
 - 5.2.3 the Applicant shall have delivered to the DMO the applicable Fee Letter countersigned by the Applicant.
- 5.3 No Eligibility Certificate in respect of an Eligible Scheme Liability will be issued unless, prior to the issue, the Eligible Institution shall have delivered to the Guarantor (i) an executed Counter-Indemnity and (ii) a legal opinion in respect of such executed Counter-Indemnity addressed to the Guarantor, in form and substance satisfactory to the Guarantor, from the external legal advisers to the relevant Eligible Institution and any additional counter-indemnitor.
- 5.4 An Eligibility Certificate shall be substantially in the form of Annex 5.
- 5.5 The Eligible Institution must not issue an Eligible Scheme Liability, in respect of which an Eligibility Certificate has been issued, which:
- 5.5.1 is denominated in a currency other than the currency specified in the relative Eligibility Certificate
 - 5.5.2 has a principal amount greater than the principal amount specified in the relative Eligibility Certificate
 - 5.5.3 has a tenor longer than the tenor specified in the relative Eligibility Certificate
 - 5.5.4 in the case of an interest-bearing Eligible Scheme Liability, has an interest rate higher than the interest rate specified in the relative Eligibility Certificate, or
 - 5.5.5 differs in any respect, other than the foregoing, from the particulars of the Eligible Scheme Liability specified in the relative Eligibility Certificate.
- 6. Counter-Indemnity**
- 6.1 Subject to Rule 6.3, each Counter-Indemnity must be substantially in the form of Annex 6 or such other form as is approved by the Guarantor.
- 6.2 Each Counter-Indemnity shall be executed as a deed by the relevant Eligible Institution and any additional counter-indemnitor under Rule 6.3.

- 6.3 The Guarantor shall be entitled, in its discretion, to require any member of the corporate group of which the Eligible Institution is a member to become an additional counter-indemnitor under the Counter-Indemnity, in which event the liability of the Eligible Institution and the additional counter-indemnitor shall be expressed to be joint and several under the Counter-Indemnity and the form of the Counter-Indemnity in Annex 6 shall be modified accordingly, all as required by the Guarantor.
- 6.4 The Guarantor shall, as a condition to the issue of an Eligibility Certificate, be entitled to require the making of any amendment or supplement to a Counter-Indemnity which has previously been delivered to it, and the delivery to it of a further legal opinion of the kind referred to in Rule 5.3.

7. Fees

- 7.1 The Guarantor shall be entitled to determine the amount of, and to charge, a fee for the issue of an Eligibility Certificate.
- 7.2 The determination of the amount of the fee shall be made as follows:
- 7.2.1 the fee shall be based on a per annum rate of 50 basis points plus 100% of the Eligible Institution's or such other member of the Eligible Institution's corporate group, as may be decided by the Guarantor in its absolute discretion, median five-year credit default swap spread, determined by the Guarantor, in its discretion, from publicly available data, during the 12 month period ended on (and including) 1 July 2008, applied to the principal amount of the Eligible Scheme Liability or (in the case of a zero coupon Eligible Scheme Liability but subject to Rule 7.6) the amount of the actual gross proceeds of issuance thereof,
- 7.2.2 the Guarantor may derive and apply its own estimate of an appropriate fee if the relevant data referred to in Rule 7.2.1 is not publicly available, and
- 7.2.3 where the currency of the Eligible Scheme Liability is a currency other than Sterling, the fee shall be increased to reflect the cost that would, in the opinion of the Guarantor, be incurred by the Guarantor in making payment, under the Guarantee in respect of the Eligible Scheme Liability, other than in Sterling.
- 7.3 The Fee shall be payable in the currency in which the relevant Guaranteed Liability is denominated.
- 7.4 The Fee shall accrue on an actual/actual basis over the period commencing on (and including) the earlier of (i) the date of issue of the Guaranteed Liability and (ii) the third Business Day after the date of the Eligibility Certificate (in either case, the "**Start Date**") and ending on (but excluding) the scheduled maturity date of the Guaranteed Liability.
- 7.5 The Fee shall be payable in arrear (in the case of a Guaranteed Liability having a scheduled maturity date which is more than three months after the date of the Eligibility Certificate) on the last day of each three month period falling after the date of the

Eligibility Certificate prior to the scheduled maturity date of the Guaranteed Liability, and (in any case) on the scheduled maturity date of the Guaranteed Liability. If the due date for payment is not a Currency Business Day in respect of the currency of payment, the payment shall be made on the next following Currency Business Day in respect of such currency.

- 7.6 Notwithstanding the foregoing Rules, if the proposed Guaranteed Liability is not issued by the date which is 30 days after the date of the relative Eligibility Certificate (the “**Cessation Date**”), the Fee shall cease to accrue after the Cessation Date, and the amount of the Fee accrued on an actual/actual basis during the period commencing on (and including) the Start Date and ending on (and including) the Cessation Date shall be payable on the Currency Business Day in respect of the currency of payment falling immediately after the Cessation Date. If the proposed Guaranteed Liability is a zero coupon proposed Guaranteed Liability, the Fee shall, notwithstanding Rule 7.2.1 and anything to the contrary in the Fee Letter, be calculated by application to the principal amount of the proposed Guaranteed Liability as specified in the Eligibility Certificate.
- 7.7 The amount, and other details in respect, of the Fee shall be recorded in a letter from the DMO to the Applicant substantially in the form of Annex 7, which shall be countersigned by the Applicant.

8. Guarantee Statement and Website

- 8.1 The Guarantor will establish and maintain a website on which will be published a statement of outstanding publicly issued Guaranteed Liabilities from time to time. The current website is at *www.dmo.gov.uk*.
- 8.2 The Guarantee Statement published under Rule 8.1 shall have no legal status, shall not affect the status or effect of any Eligibility Certificate, and shall be for information purposes only.
- 8.3 The Guarantor shall be entitled to publish on the website referred to in Rule 8.1, in addition to the Guarantee Statement, the following information:
- 8.3.1 any higher amount of the aggregate of Guaranteed Liabilities as referred to in recital (C) of the Deed of Guarantee
 - 8.3.2 the names of the Eligible Institutions from time to time
 - 8.3.3 any extension of the Final Application Date as referred to in Rule 4.1
 - 8.3.4 any extension of the date referred to in paragraph 4 of Annex 4, and
 - 8.3.5 any change or supplement to these Rules.

9. Public Descriptions of Guarantor and Guarantee

- 9.1 The description of the Guarantor and the Guarantee in any offering document (including, without limitation, any prospectus, offering circular, listing particulars and information memorandum) or other document or announcement relating to a Guaranteed Liability, issued by or on behalf of the issuer or any guarantor of the Guaranteed Liability shall be substantially in the form of Annex 8 or such other form as may be required by the Guarantor.
- 9.2 Without prejudice to Rule 9.1, no Eligible Institution shall otherwise explicitly promote itself on the basis of the Guarantee.

10. Demand and Payment

- 10.1 A demand by a Beneficiary for payment under the Guarantee must be in writing and made in the form of Annex 9 and delivered to the addressees therein specified.
- 10.2 A demand by a Beneficiary for payment under the Guarantee which is not made in the form of Annex 9 shall be void.
- 10.3 The Guarantor may make payment, in respect of a valid demand by a Beneficiary under the Guarantee, to the principal paying agent or, as the case may be, the registrar in respect of the Guaranteed Liability specified in the Application relative to that Guaranteed Liability.
- 10.4 Any such payment to the principal paying agent or registrar under Rule 10.3 will, notwithstanding any contrary provision in any document under or by reference to which the Guaranteed Liability is issued, created or constituted, for the purposes of the Guarantee be deemed to be payment to the Beneficiary, and such payment shall constitute a complete discharge of the Guarantor in respect its liability under the Guarantee in respect of the relevant demand of that Beneficiary.

11. Reporting and Consultation

- 11.1 Unless the Guarantor in its absolute discretion decides otherwise, each Eligible Institution must, within six months of its Recognition Date, submit to the Guarantor a plan for maintaining or restoring the capacity of the Eligible Institution to borrow in the wholesale financial markets without the benefit of the Guarantee.
- 11.2 The plan referred to in Rule 11.1 shall describe measures that shall be taken by the Eligible Institution to cease activities that would be structurally loss-making even after the termination of the Guarantee.
- 11.3 Each Eligible Institution must consult on a regular basis with the Guarantor in relation to the proposals, of each member of the corporate group of which the Eligible Institution is a member, to issue debt securities.

- 11.4 The Eligible Institution must consult on a timely basis with the DMO with respect to the date of the launch and issue of any Guaranteed Liability of the Eligible Institution.
- 11.5 The Eligible Institution must, in respect of each Guaranteed Liability issued, before the date of such issue, notify the DMO in writing of the following details in respect of the Guaranteed Liability:
- the ISIN
 - the principal amount
 - the scheduled maturity date
 - the date of issue
 - in the case of a fixed rate Guaranteed Liability, the interest rate
 - in the case of a floating rate Guaranteed Liability, the margin and the source of the reference rate
 - in the case of a zero coupon Guaranteed Liability, the actual gross proceeds of issuance
 - the interest payment dates (if any).

12. Notices

- 12.1 Any notice or other communication under or in connection with these Rules or the Guarantee (other than an Application made under Rule 4.1 or Rule 4.5, or a demand made under Rule 10.1) shall be by delivery by hand or (in the case only of the DMO or an Eligible Institution) by facsimile:

- 12.1.1 in the case of the Guarantor, to:

The Commissioners of Her Majesty's Treasury
1 Horse Guards Road
London SW1A 2HQ

marked for the attention of Team Leader,
Intervention Strategy and Markets

- 12.1.2 in the case of the DMO, to:

The United Kingdom Debt Management Office
Eastcheap Court
11 Philpot Lane
London EC3M 8UD
Facsimile: 0845 357 6509

12.1.3 in the case of an Eligible Institution, to it at its registered office or such other address as the Guarantor may agree with the Eligible Institution, or to the facsimile number provided by the Eligible Institution to the Guarantor for the purposes of this Rule.

12.2 Any communication under or in connection with these Rules or the Guarantee to be made by the Guarantor to a Beneficiary shall be made in such manner as the Guarantor, in its exclusive and absolute discretion, decides is the most appropriate manner in the circumstances at the time.

12.3 Communications under Rule 12.1 shall be deemed to take effect, if sent by facsimile, at the time of despatch or, if delivered by hand, at the time of actual delivery.

13. Changes to Rules

13.1 The Guarantor may amend or supplement those Rules at any time in its exclusive and absolute discretion.

13.2 The Guarantor shall publish details of any such amendment or supplement in accordance with Rule 8.3.5.

ANNEX 1

Form of Application

THE COMMISSIONERS OF HER MAJESTY'S TREASURY

2008 CREDIT GUARANTEE SCHEME

APPLICATION

1. Date of Application

2. Name of Applicant¹

3. Contact details²

4. Whether the Application is made under Rule 4.1 or Rule 4.5

5. Eligible Scheme Liabilities³ the subject of this Application
and⁴
Maturing Liabilities to be wholly or partly refinanced by the Eligible Scheme Liabilities
the subject of this Application

6. [Save as set out below, we] [We] confirm that there are no Eligible Scheme Liabilities
proposed to be issued by ourselves, but not yet so issued, in respect of which an
Eligibility Certificate has been issued [.] [:]

[]

7. We warrant and represent to you that the information contained in and attached to this
Application is accurate, complete and not misleading (including by omission) in any
respect and, in particular, that the Eligible Scheme Liabilities the subject of this
Application satisfy the Instrument Eligibility Criteria.

Signed by:⁵

Duly authorised

Duly authorised

Notes

1. Full legal name of Eligible Institution which is the Applicant
2. Contact details for the Applicant and for officer(s) of Applicant responsible for this Application
3. Details of the Eligible Scheme Liabilities in respect of which the Guarantee is applied for

The details must demonstrate that the Eligible Scheme Liability satisfies the Instrument Eligibility Criteria and also include:
 - the full legal name of the issuer
 - the full legal name(s) of the guarantor(s) (if any)
 - the principal amount in the currency of issue
 - the indicative interest rate or discount (as applicable) and the source of the reference rate (if applicable)
 - the tenor
 - the proposed scheduled maturity date
 - the type of Eligible Scheme Liability
 - whether or not the person(s) to whom the payment obligation under the Eligible Scheme Liability will be owed is represented by a trustee, and, if so, particulars (including formal contact details) of the trustee
 - particulars (including formal contact details) of the principal paying agent or registrar (as applicable), and full details of its bank account to be used for payments to be made in connection with the Eligible Scheme Liability
 - the proposed issue date and (if applicable) launch date
4. The Application must identify the connection between each Eligible Scheme Liability and its related Maturing Liability/ies.
5. The Application must be accompanied by evidence, satisfactory to the DMO, of the authority of the signatories of the Application.

ANNEX 2

Institution Criteria

1. Unless Guarantor decides otherwise, the institution must be (i) an authorised UK deposit-taker (including a UK incorporated subsidiary of a foreign institution) which, in the view of the Guarantor, has a substantial business in the UK or (ii) a UK building society. In reviewing any application for an Institution Certificate, the Guarantor will give due regard to an institution's role in the UK banking system and the overall economy.
2. The institution must have Tier 1 capital in an amount determined by the Guarantor as at a date to be specified by the Guarantor.

ANNEX 3

Form of Institution Certificate

THE COMMISSIONERS OF HER MAJESTY'S TREASURY

2008 CREDIT GUARANTEE SCHEME

INSTITUTION CERTIFICATE

Certificate no. []

Date: []

The Commissioners of Her Majesty's Treasury hereby certify that the institution named in the schedule to this certificate is an Eligible Institution for the purposes of the Deed of Guarantee dated 13 October 2008 and executed on behalf of The Commissioners of Her Majesty's Treasury.

Signed

[to be signed by an official on behalf of HM Treasury]

Schedule

[name of institution]

ANNEX 4**Instrument Eligibility Criteria**

1. Senior unsecured debt instruments with standard market terms, and not being complex instruments, and falling within one of the following categories:
 - Certificates of deposit
 - Commercial paper
 - Bonds or notes
2. Notwithstanding paragraph 3, to be issued by the relevant Eligible Institution on or after 13 October 2008 and before (i) the Final Application Date (or such later date as the Guarantor may determine under Rule 4.1 in its discretion) in the case of an Eligible Scheme Liability the subject of an Application made under Rule 4.1 and (ii) not less than seven days before 9 April 2014 in the case of an Eligible Scheme Liability the subject of Application made under Rule 4.5.
3. Subject to paragraph 2, the issue of the debt instrument to occur within 30 days of the date of the Eligibility Certificate.
4. To have a scheduled maturity date falling before 9 April 2014 (or such later date as the Guarantor may determine in its discretion).
5. To be single currency denominated in one of Sterling, Euro, or US Dollars, Australian Dollars, Canadian Dollars, Swiss Francs or Japanese Yen, or such other currency as determined by the Guarantor.
6. Not to contain ~~(1)~~ an event of default constituted by cross-default or cross-acceleration ~~or (2) any right of prepayment by the issue~~
7. The proceeds of the issue to be applied in refinancing Maturing Liabilities.

ANNEX 5

Eligibility Certificate

THE COMMISSIONERS OF HER MAJESTY'S TREASURY

2008 CREDIT GUARANTEE SCHEME

ELIGIBILITY CERTIFICATE

Certificate no. []

Date: []

The Commissioners of Her Majesty's Treasury hereby certify that the debt instruments, the details of which are specified in the schedule to this Certificate, are, upon their issue, and provided they have been issued on or before [*the date being 30 days after the date of this certificate*], Guaranteed Liabilities for the purposes of the Deed of Guarantee dated 13 October 2008 and executed on behalf of The Commissioners of Her Majesty's Treasury.

Signed

The Commissioners of Her Majesty's Treasury
acting through The United Kingdom Debt
Management Office

Schedule

ANNEX 6

Form of Counter-Indemnity

To: The Commissioners of Her Majesty's Treasury

We refer to the Deed of Guarantee dated 13 October 2008 executed on behalf of yourselves in respect of the 2008 Credit Guarantee Scheme (the "**Guarantee**"). Words and expressions defined in the Guarantee have the same meanings where used in this deed, save that references in this deed to "the Guarantee" shall be construed as references to the Guarantee insofar (and only insofar) as it applies to our Guaranteed Liabilities to the intent and effect that this deed shall have no application to the Guarantee insofar as it applies to the Guaranteed Liabilities of other persons.

In consideration of your agreeing at our request to issue one or more Eligibility Certificates, we hereby:-

- (1) agree to keep you indemnified to the extent hereinafter provided from and against all actions, proceedings, liabilities, claims, damages, costs and expenses in relation to or arising out of the Guarantee and this deed, and to pay to you on demand an amount equal to all payments, claims, losses, costs, charges, damages, taxes, duties and expenses suffered or incurred by you in consequence thereof or arising therefrom, whether directly or indirectly; and
- (2) agree to pay to you upon demand interest on all amounts demanded by you from us under this deed calculated at the aggregate of the Official Bank Rate (for the time being and from time to time) and one per cent. (1%) during the period from (and including) the date of such demand to (but excluding) the date of payment by us to you of all such amounts; and for this purpose "**Official Bank Rate**" means the official Bank Rate as determined by the Monetary Policy Committee of the Bank of England and published by the Bank of England from time to time; and
- (3) irrevocably authorise and direct you to make any payments forthwith and comply with any demands which may be claimed or made under the Guarantee without any reference to or further authority, confirmation or verification from us, and agree that any payment which you shall make in accordance with the Guarantee shall be binding upon us and shall be accepted by us as conclusive evidence that you were liable to make such payment or comply with such demand notwithstanding any dispute that may exist between us and the Beneficiary as to the validity of any such demand; and
- (4) without prejudice to any other provision of this deed, agree that any demand made upon you for payment of sums specified in the Guarantee shall, for all purposes relating to this deed, be deemed to be a valid and effective demand, and you shall be entitled to treat it as such notwithstanding any actual lack of authority on the part of the person making the demand if the demand appears on its face to be in order; and
- (5) without prejudice to any other provision of this deed, agree that provided that any certificate or document delivered in accordance with the provisions of the Guarantee

appears on its face to be in accordance with the terms of the Guarantee, such certificate or document shall for all purposes relating to this deed be deemed to be genuine and in accordance with the terms of the Guarantee; and

- (6) agree that all sums payable hereunder shall be made free and clear of and without deduction for or on account of any set-off or counterclaim or any present or future taxes of any nature. Should any such payment be subject to deduction in respect of any such matter, we shall pay to you such additional amount as may be necessary to enable you to receive a net amount equal to the full amount payable hereunder. As used herein, the term "taxes" includes all levies, imposts, duties, charges, fee, deductions, withholdings, turnover tax, stamp duty, and any obligations or conditions resulting in a charge; and
- (7) agree that all payments under this deed shall be made in the currency in which payments made or liabilities incurred by you under the Guarantee are denominated; and
- (8) agree that our liability hereunder shall also apply to any increase or decrease in the amount of or extension or renewal of the Guarantee from time to time (whether in the same terms or otherwise and whether arising with our agreement or by operation of law or otherwise) to the intent that all agreements, undertakings and authorities herein shall continue to be binding on us in relation to the Guarantee as so increased, decreased, extended or renewed; and
- (9) agree that, without prejudice to any other rights, powers or remedies (whether provided by contract, law or otherwise) which you may have, you may set off any moneys due and payable (but not paid) by us under this deed against any obligation whatsoever owed by you to us, regardless of the place of payment or currency of either obligation, and, if the obligations are in different currencies, you may convert either obligation at a market rate of exchange selected by you for this purpose; and
- (10) agree that, if, under any applicable law and whether pursuant to a judgment being made or registered against us or for any other reason, any payment under or in connection with this deed is made or falls to be satisfied by us or on our behalf in a currency (the "**other currency**") other than that in which the relevant payment is expressed to be due (the "**required currency**"), then to the extent that the payment actually received by you (when converted into the required currency at the market rate of exchange selected by you for this purpose on the date of payment or, if it is not practicable for you to purchase the required currency with the other currency on the date of payment, at the market rate of exchange selected by you for this purpose as soon thereafter as it is practicable for you to do so) falls short of the amount due under the terms of this deed, we shall, as a separate and independent obligation, indemnify and hold you harmless against the amount of such shortfall; and
- (11) agree to observe, and perform our obligations under, the Rules in force from time to time, and to comply with any undertaking given by us to the Guarantor in connection with the issue of any Eligibility Certificate.

We hereby warrant and represent that we have power to enter into and have duly authorised the execution and delivery of this deed and that our obligations hereunder constitute our legal, valid, binding and enforceable obligations.

Our obligations hereunder shall not be in any way discharged or impaired by reason of any time or other indulgence granted to you by the Beneficiary or by any amendment or variation of the Guarantee or any related agreement, and shall exist irrespective of any present or future total or partial invalidity, illegality or unenforceability of the Guarantee.

We shall not, and we shall procure that no guarantor of any Guaranteed Liability shall, without your prior written consent, enforce or seek to enforce in competition with you, any right of contribution, subrogation or indemnity from or against any other person to which we or such guarantor may be entitled by reason of the performance of our obligations hereunder or the guarantor's performance of its obligations, in each case, in respect of the Guaranteed Liability.

A certificate submitted by you to us as to the amount due from us to you hereunder at the date of such certificate shall be conclusive and binding on us for all purposes.

We understand and agree that our liability hereunder will continue until you have notified us in writing that you have released us from it.

This deed shall be governed by and construed in accordance with English law and shall be additional to any other indemnity which you now or hereafter may hold. [We submit to the jurisdiction of the English courts in connection with any dispute arising in connection with this deed.]

EXECUTED AND DELIVERED as a deed

By

[Eligible Institution]

In the presence of:

ANNEX 7

Form of Fee Letter

[On Letterhead of the DMO]

To: *[Applicant]*

Dear Sirs,

2008 Credit Guarantee Scheme

We refer to your application under the Scheme dated [] in respect of the proposed Guaranteed Liabilities referred to in the schedule to this Fee Letter. Words and expressions defined in the Rules of the Scheme have the same meanings where used in this letter.

This is the Fee Letter recording the fee applicable to the Eligibility Certificate to be issued in respect of those proposed Guaranteed Liabilities.

The Fee is [].

The fee is to be paid to our account the details of which are as follows: [].

Kindly confirm your agreement to the foregoing by countersigning and returning to us this Fee Letter.

Yours faithfully,

The United Kingdom Debt Management Office

Schedule

[Proposed Guaranteed Liabilities]

We confirm our agreement to the foregoing.

[Applicant]
Duly authorised

ANNEX 8

Form of Offering Document Disclosure

The Commissioners of Her Majesty's Treasury have unconditionally and irrevocably guaranteed the due payment of all sums due and payable by [*the issuer*] under the [*trust deed*] [and] [*debt instruments*].

The Commissioners' obligations in that respect are contained in a deed of guarantee dated 13 October 2008, the form of which is available at www.dmo.gov.uk.

ANNEX 9

Form of Demand

THE COMMISSIONERS OF HER MAJESTY'S TREASURY

2008 CREDIT GUARANTEE SCHEME

NOTICE OF DEMAND

To: The Commissioners of Her Majesty's Treasury
1 Horse Guards Road
London SW1A 2HQ

Attention: Team Leader, Intervention Strategy and Markets

cc: The United Kingdom Debt Management Office,
Eastcheap Court, 11 Philpot Lane, London EC3M 8UD

[Title and ISIN of Guaranteed Liability]

1. We, [], are the [trustee for the holders of] [the holder of [amount] of] the above-mentioned Guaranteed Liability.
2. We refer to the Deed of Guarantee applicable to the above-mentioned Guaranteed Liability dated 13 October 2008 and executed on behalf of The Commissioners of Her Majesty's Treasury. Words and expressions defined in the Deed of Guarantee have the same meanings where used in this notice.
- [3. We demand payment to us, in accordance with the Guarantee and the Rules, of the sum of [] being [] due and payable, but unpaid, to us under or in respect of the Guaranteed Liability (the "**Claimed Sum**").
- [4. The due date, after the expiry of the applicable grace period (if any), for the payment of interest to us under or in respect of the Guaranteed Liability was [] and such payment has not been made to us.]
- [5. The redemption date of the Guaranteed Liability was [] and the amount due and payable to us in respect of the Guaranteed Liability on such date has not been paid to us.]
- [6. We certify that we have validly demanded payment of the Claimed Sum from the issuer of the Guaranteed Liability and that the issuer has failed to pay the Claimed Sum to us in accordance with our valid demand.

Signed by:

Duly authorised