

GUARANTEE

THIS INSTRUMENT by way of deed poll is executed on 10 May 2012 by **SANTANDER UK plc** (registered in England No. 2294747) whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (the "**Guarantor**")

WHEREAS:

Alliance & Leicester International Limited, a company incorporated in Isle of Man (number 081918C) whose registered office is at 19/21 Prospect Hill, Douglas IM99 1RY ("**ALIL**"), has requested the Guarantor and the Guarantor has agreed to guarantee payment of all Deposit Obligations (as hereinafter defined) in accordance with, and as limited by, the terms and conditions of this Deed (this "**Guarantee**").

NOW THEREOF the Guarantor hereby covenants and agrees as follows:

1. In this Guarantee, unless the context otherwise requires:

"Deposit Obligation" means any obligation or liability, either primary or contingent, lawfully incurred by ALIL to any person on or before 30 June 2015 (whether before or after the execution of this Guarantee) under or in respect of any deposits made with ALIL (including, without limitation of the generality of the foregoing, certificates of deposit issued by ALIL) and payments of interest due from ALIL with respect to any such deposits (whether or not the liability to pay such interest arises on, before or after 30 June 2015) together with all reasonable costs, commissions and other expenses incurred by any Depositor in connection with the enforcement of this Guarantee and for the avoidance of doubt, "Deposit Obligation" shall include any such obligation or liability assumed under or incurred pursuant to any novation, transfer, assignment or other similar agreement between ALIL and any other person and references in this definition to "ALIL" shall include persons whose obligations or liabilities have been so assumed by ALIL;

"Depositor" means any person (other than ALIL or any subsidiary of ALIL (as defined in section 1159 of the Companies Act 2006 (the "**Act**")) or any individual who is a connected person of ALIL (within the meaning of section 252 of the Act) to whom a Deposit Obligation is from time to time owed; and

"person" means any person, firm, trust estate, corporation, association, cooperative, government or government agency or other entity.

2. (a) The Guarantor hereby unconditionally and irrevocably guarantees, for the benefit of each Depositor, in accordance with the terms and conditions of this Guarantee, the full payment by ALIL when due (whether at stated maturity, upon acceleration or otherwise) of each and every Deposit Obligation and in the event that ALIL shall default in the due and punctual payment of any Deposit Obligation, undertakes to pay, or procure the payment of, such Deposit Obligations in the currency in which

the particular Deposit Obligation is denominated in the case of a payment upon written demand being made under this Guarantee by the relevant Depositor.

- (b) The Guarantor waives any right it may have of first requiring any Depositor to make demand, proceed or enforce any rights or security against ALIL or any other person before making a claim against the Guarantor under this Guarantee.
3. A Depositor shall only be entitled to take or obtain the benefit of this Guarantee upon the condition that, after receipt by the Guarantor of a written demand from the Depositor, the Guarantor shall be entitled to deal with the Depositor, and the Depositor shall be obliged to deal with the Guarantor with respect to the Deposit Obligation due to the Depositor and this Guarantee without the necessity or duty to rely on, act through or otherwise involve or deal with ALIL to the intent that the Guarantor and the Depositor shall deal with one another as principals in relation to the same provided that the rights, powers, privileges and remedies of the Depositor under this Guarantee shall not thereby be in any way limited or otherwise affected.
4. No delay or omission on the part of the Depositor in exercising any right, power, privilege or remedy (hereinafter together called "**Rights**") in respect of this Guarantee shall impair any such Rights or be construed as a waiver of any thereof nor shall any single or partial exercise of any such Rights preclude any further exercise of any other Rights. The Rights herein provided are cumulative and not exclusive of any rights, powers, privileges or remedies provided by law. Nothing in this Guarantee shall be construed as voiding, negating or restricting any right of set-off or any other right whatsoever existing in favour of a Depositor or arising at common law, by statute or otherwise howsoever.
5. This Guarantee is a continuing guarantee and shall not be satisfied, discharged or affected by any intermediate payment or settlement of account.
6. The Guarantor will not exercise any rights of subrogation or any other rights or remedy (including, without limiting the generality of the foregoing, the benefit of any security or right of set-off) which it may acquire due to its payment of any Deposit Obligation pursuant to the terms of this Guarantee and will not prove in the liquidation of ALIL in competition with any Depositor unless and until all Deposit Obligations in respect of the relevant Depositor hereby guaranteed have been satisfied in full by the Guarantor or ALIL. In the event that the Guarantor shall receive any payment on account of such rights while any Deposit Obligation remains outstanding, the Guarantor shall pay all amounts so received to the relevant Depositor.
7. Payments hereunder shall be made free and clear of any deduction or withholdings other than those required by law and in that event the Guarantor shall pay such additional amount to the relevant Depositor as may be necessary in order that the actual amount received after all such deductions and withholdings shall equal the amount that would have been received if no such deduction or withholding were required provided that the Guarantor shall not be obliged to pay any such additional amount which would not have been payable if the payment which is the subject of the withholding or deduction had been made by ALIL. If the Guarantor makes a payment of an additional amount in compliance with its obligations under this paragraph and the Depositor determines that it has received or been granted a credit against or relief or payment of any tax paid or payable by it in

respect thereof the Depositor shall to the extent that it can do so without prejudice to the retention of the amount of such credit, relief or repayment pay to the Guarantor such amount as shall be attributable to such deduction provided that nothing contained in this paragraph shall interfere with the right of any Depositor to arrange its tax affairs in whatsoever manner it thinks fit and, in particular, no Depositor shall be under any obligation to claim relief in respect of any such deduction in priority to any other claims for relief available to it.

8. Any demand or notice hereunder shall be given in writing or by facsimile transmission addressed to the Guarantor or to the person to or upon whom the demand is to be made or the notice served at the registered or principal office or last known place of abode of the Guarantor or of such person, as the case may be. A demand so made shall be deemed to have been duly made if left at such address on the day it was so left or, if sent by post, two weekdays after the time when the same was put in the post and in proving delivery it shall be sufficient to prove that the same was properly addressed and put in the post. Any such demand sent by facsimile transmission shall be deemed to have been duly made at the time of despatch.
9. The liability of the Guarantor under this Guarantee shall not be affected by the liquidation, winding-up or other incapacity of ALIL. In the event that any payment or delivery to a Depositor from ALIL in respect of a Deposit Obligation is avoided or reduced by virtue of any enactments for the time being in force relating to liquidation or insolvency of ALIL, the Depositor shall be entitled to recover the value or amount thereof from the Guarantor as if such payment by ALIL had not been made.
10. This Guarantee shall remain in full force and effect irrespective of:
 - (a) the validity, regularity, legality or enforceability against ALIL of, or of any defence or counter-claim whatsoever, available to ALIL in relation to, any Deposit Obligation;
 - (b) whether or not any action has been taken to enforce any Deposit Obligation or any judgement obtained against ALIL or any other person;
 - (c) whether or not the terms of any Deposit Obligation has been modified, supplemented, extended or restated in any way (in each case, however fundamental and of whatsoever nature);
 - (d) whether or not any time or indulgence has been granted to ALIL or any other person by or on behalf of any Depositor;
 - (d) whether or not there have been any dealings or transactions between ALIL or any other person and any Depositor;
 - (e) whether or not ALIL or any other person has been dissolved, liquidated, merged, consolidated, become bankrupt or has changed its status, functions, control or ownership;

- (f) whether or not ALIL or any other person has been prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation; and
 - (h) whether or not any circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defence to a guarantor.
11. This Guarantee shall remain in full force and effect in relation to a Deposit Obligation notwithstanding that it becomes due for payment after 30 June 2015.
 12. In the event that any of the terms or provisions of this Guarantee are or shall become invalid, illegal or unenforceable, the remaining terms and provisions hereof shall survive unaffected.
 13. The Guarantor shall be permitted from time to time and at any time to amend or vary the terms of this Guarantee PROVIDED THAT the liability of the Guarantor to a Depositor in respect of any Deposit Obligation incurred before or arising out of a Deposit Obligation entered into, before the date of such variation or amendment, shall not be in any way reduced or limited by such variation or amendment. Any person shall be entitled to rely on a certificate given by a director or other duly authorised officer of the Guarantor as to the existence and extent of this Guarantee and any such variation and/or amendment of this Guarantee on entering into any dealing, transaction or arrangement with ALIL under or in respect of which a Deposit Obligation would or might be incurred by ALIL to that person.
 14. This Guarantee and any non-contractual obligations arising out of or in connection with this Guarantee are governed by, and shall be construed in accordance with, the laws of England and the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee (including in respect of any non-contractual obligations arising out of or in connection with this Guarantee) and accordingly any suit, action or proceedings arising out of or in connection with this Guarantee (including in respect of any non-contractual obligations arising out of or in connection with this Guarantee) shall be brought in such courts.

IN WITNESS whereof, this Guarantee has been executed as of the day and year first written above.

THE COMMON SEAL of)
 SANTANDER UK plc)
 was hereunto affixed)
 in the presence of:)



.....
 Shaun Coles
 Deputy Company Secretary

