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Any party entering into a legal agreement should obtain comprehensive legal advice.

Pro forma (for bond issues with a trustee)

GUARANTEE AND REIMBURSEMENT AGREEMENT

[] 20[●]

THE LORDS COMMISSIONERS OF HER MAJESTY'S TREASURY
(as the Guarantor)

and

[●]
(as the Company)

in respect of the UK Guarantee

ALLEN & OVERY

Allen & Overy LLP

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THIS GUARANTEE AND REIMBURSEMENT AGREEMENT is dated [●] 20[●] and is made by way of deed

BETWEEN:

- (1) **THE LORD COMMISSIONERS OF HER MAJESTY'S TREASURY**, of 1 Horse Guards Road, London SW1A 2HQ (the **Guarantor**); and
- (2) [●], a company incorporated in England and Wales with registered number [●] (the **Company**).

RECITAL

- (A) The Company has issued the Guaranteed Bonds and the Guarantor will issue the UK Guarantee in respect of certain payment obligations under the Guaranteed Bonds, pursuant to the terms of the UK Guarantee and in accordance with this Agreement.
- (B) It is the intention of the Parties that this document be executed as a deed.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

Covenanted Agreement means the covenanted agreement entered into between the Company and the Guarantor on or about the date of this Agreement.¹

Default Rate means [●] per cent. ([●]%) per annum over the applicable base rate of [the Bank of England] (or in the absence of such base rate, such base rate as the Guarantor may determine) from time to time.

Effective Date means [●] or such other date as is agreed between the Company and the Guarantor.

Guaranteed Bonds means the [*insert description of guaranteed bonds*], and (where the context permits) shall include the Bond Trust Agreement.

Guaranteed Finance Document means:

- (a) this Agreement;
- (b) the Guaranteed Bonds,
- (c) [the Security Trust and Intercreditor Agreement];
- (d) the UK Guarantee;
- (e) the UK Guarantee Fee Letter; and
- (f) any other document designated as such by the Guarantor and the Company.

¹ The role and nature of this agreement is likely to change depending on the particular transaction.

Indemnified Parties means the Guarantor, any HM Treasury Minister, the Permanent Secretary of Her Majesty's Treasury and any other officials, officers, employees or agents of Her Majesty's Treasury.

Increased Cost means:

- (a) an additional or increased cost;
- (b) a reduction in the rate of return from the UK Guarantee; or
- (c) a reduction of an amount due and payable under any Guaranteed Finance Document,

which is incurred or suffered by the Guarantor but only to the extent attributable to the Guarantor having entered into any Guaranteed Finance Document or funding or performing its obligations under any Guaranteed Finance Document.

Party means a party to this Agreement.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Tax Credit means a credit against, relief or remission for, or repayment of, any Tax.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Guaranteed Finance Document.

Tax Payment means a payment made by the Issuer to the Guarantor under Clause 12.1(b) (Tax gross-up).

UK Guarantee means the financial guarantee in respect of the Guaranteed Bonds issued by the Guarantor on or about the date of this Agreement.

UK Guarantee Fee Letter means the fee letter dated on or about the date of this Agreement between the Guarantor and the Company.

VAT means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature which may be imposed in place thereof from time to time.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Agreement to:
 - (i) an **amendment** includes a supplement, novation, extension (whether of maturity or otherwise), restatement, re-enactment or replacement (however fundamental and whether or not more onerous) and **amended** will be construed accordingly;
 - (ii) a **Clause** or **Subclause** is a reference to a clause or subclause of, or a schedule to, this Agreement;
 - (iii) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;

- (iv) this **Agreement** shall be deemed to be a reference to this guarantee and reimbursement agreement as a whole and not limited to the particular clause, schedule or provision in which the relevant reference appears and to this Agreement as varied, amended, supplemented or substituted from time to time;
 - (v) **Sterling** or **£** means the lawful currency from time to time of the United Kingdom;
 - (vi) a Party or any other person includes its successors in title, permitted assigns and permitted transferees;
 - (vii) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (viii) a Guaranteed Finance Document or other document or security includes (without prejudice to any prohibition on amendments) any amendment to that Guaranteed Finance Document or other document or security, including any change in the purpose of, any extension for or any increase in the amount of a facility or any additional facility; and
 - (ix) a time of day is a reference to London time.
- (b) Unless a contrary indication appears, a term used in the UK Guarantee or the Guaranteed Bonds has the same meaning in this Agreement.
 - (c) The headings in this Agreement are inserted for convenience only and shall be of no legal effect.
 - (d) Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.
 - (e) Unless the contrary intention appears:
 - (i) a reference to a Party will not include that Party if it has ceased to be a Party under this Agreement;
 - (ii) a word or expression used in any other Guaranteed Finance Document or in any notice given in connection with any Guaranteed Finance Document has the same meaning in that Guaranteed Finance Document or notice as in this Agreement; and
 - (iii) any obligation of the Company under the Guaranteed Finance Documents which is not a payment obligation remains in force for so long as any payment obligation of the Company is, may be or is capable of becoming outstanding under the Guaranteed Finance Documents.

1.3 Third Party Rights

Unless expressly provided to the contrary, a person who is not a party to this Agreement (other than an Indemnified Party) may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999. Subject to Clause 13(a) below (Amendments and Waivers), no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of any Guaranteed Finance Document.

2. COVENANTS

2.1 Payment

In consideration for the Guarantor's issuance of the UK Guarantee and entry into this Agreement, the Company will, on the terms and subject to the conditions of this Agreement:

- (a) pay or procure the payment, from time to time, of any amount due and payable to the Guarantor in accordance with the UK Guarantee Fee Letter and this Agreement;
- (b) promptly pay to the Guarantor, all and any sums and fees due and payable to the Guarantor under the Guaranteed Finance Documents including, for the avoidance of doubt, (if applicable) the amount equal to the loss, liability or cost which the Guarantor determines will be or has been (directly or indirectly) suffered for or on account of any Tax by the Guarantor (except any Tax by reference to the net income received or receivable by the Guarantor) or in respect of, or applicable to, the payment of such sums and fees, as provided for in the Guaranteed Finance Documents; and
- (c) indemnify and reimburse the Guarantor on the terms of this Agreement.

2.2 General Covenants

The Company agrees for the benefit of the Guarantor:

- (a) that subject to any applicable law, and the rules of any regulatory authority within a competent jurisdiction, its duties and obligations set out in this Agreement shall continue in full force and effect until all of the obligations of the Company under the Guaranteed Finance Documents have been fully and irrevocably discharged, notwithstanding payment by the Company of all amounts due in respect of the Guaranteed Bonds;
- (b) that to the best of the Company's knowledge no statute, rule, regulation or order has been executed, given or deemed applicable by any government or governmental or administrative agency or court having any relevant jurisdiction that would make the transactions contemplated by the Guaranteed Finance Documents illegal, invalid or unenforceable in any respect under any jurisdiction; and
- (c) [that it will observe and comply with all of its obligations, warranties and undertakings as set out in the Covenanted Agreement].

3. CONDITIONS PRECEDENT

- (a) [The UK Guarantee may not be given until the Guarantor has notified the Company that it has received (or waived receipt of) all of the documents and evidence set out in the Covenanted Agreement in form and substance satisfactory to the Guarantor.]
- (b) The Guarantor must give the notification referred to in paragraph (a) above to the Company promptly upon being so satisfied.

4. SUBROGATION

- (a) Upon the Guarantor making any payment in respect of any Guaranteed Obligations pursuant to the UK Guarantee, the Company agrees that the Guarantor shall, to the extent of any such payment, be fully and automatically subrogated pursuant to applicable law to all of the Beneficiary's and the Holders' rights to payment of any amounts payable in respect of such Guaranteed Obligations

(including without limitation (i) any rights and benefits attached to, and any security conferred or granted by law, contract or otherwise in respect of, the Affected Guaranteed Obligations and (ii) any default interest on any of the Affected Guaranteed Obligations accrued pursuant to the Guaranteed Bonds after the date of payment by the Guarantor).

- (b) The Company agrees that it shall not, by reason of any payment by the Guarantor under the UK Guarantee, be discharged from its obligations under this Agreement. For the avoidance of doubt, this paragraph (b) is without prejudice to the terms of the Covenanted Agreement.
- (c) The Company must, on request, take such actions as are, in the sole judgment of the Guarantor, necessary to evidence such subrogation and to ensure that, to the extent of any payment made by the Guarantor under the UK Guarantee, the Guarantor receives any moneys paid or payable in respect of the Guaranteed Obligations.

5. REIMBURSEMENT

5.1 Reimbursement

- (a) The Company must reimburse the Guarantor for any payment made by the Guarantor under the UK Guarantee on the day on which the Guarantor makes a payment under the UK Guarantee, in accordance with paragraph (b) below.
- (b) If the Company is required to reimburse the Guarantor pursuant to paragraph (a) above, the Company must reimburse the Guarantor:
 - (i) in accordance with Clause 11.2 (Payment Procedure); and
 - (ii) in an amount equal to the aggregate of:
 - (A) the amount paid by the Guarantor pursuant to the UK Guarantee on that date;
 - (B) all amounts previously paid by the Guarantor in connection with the Guaranteed Bonds which remain outstanding from the Company to the Guarantor; and
 - (C) interest on any and all amounts which remain outstanding from the Company to the Guarantor (to the extent permitted by law, if in respect of any unreimbursed amounts representing interest) from the date the amounts became due hereunder until the date on which the amounts are paid in full, at a rate of interest equal to the Default Rate.

6. EXPENSES

6.1 Initial costs

The Company must pay to the Guarantor on demand the amount of all costs and expenses (including legal and other adviser fees) reasonably incurred by it in connection with the negotiation, preparation, printing and execution of the Guaranteed Finance Documents.

6.2 Subsequent costs

The Company must pay to the Guarantor the amount of all costs and expenses (including legal and other adviser fees) reasonably incurred by it in connection with:

- (a) the negotiation, preparation, printing and execution of any Guaranteed Finance Document entered into after the date of this Agreement; and

- (b) any amendment, waiver or consent requested by or on behalf of the Company or specifically allowed by a Guaranteed Finance Document.

6.3 Enforcement costs

The Company must pay to the Guarantor the amount of all costs and expenses (including legal fees) incurred by it in connection with:

- (a) the enforcement of, or the preservation of any rights under, any Guaranteed Finance Documents; or
- (b) any proceedings instituted by or against the Guarantor as a consequence of it entering into a Guaranteed Finance Document.

7. INCREASED COSTS

7.1 Increased Costs

Except as provided below in this Clause, the Company must pay to the Guarantor the amount of any Increased Cost incurred by the Guarantor as a result of:

- (a) the introduction of, or any change in, or any change in the interpretation, administration or application of, any law or regulation; or
- (b) compliance with any law or regulation made after the date of this Agreement.

7.2 Exceptions

The Company need not make any payment for an Increased Cost to the extent that the Increased Cost is:

- (a) compensated for under another Clause or would have been but for an exception to that Clause; or
- (b) attributable to the Guarantor wilfully failing to comply with any law or regulation.

7.3 Claims

- (a) The Guarantor must promptly notify the Company of the circumstances giving rise to and the amount of the claim.
- (b) The Guarantor must, as soon as practicable after a demand by it, provide a certificate confirming the amount of its Increased Cost.

8. INDEMNITIES

8.1 Currency indemnity

- (a) The Company must, as an independent obligation, indemnify the Guarantor against any loss or liability which the Guarantor incurs as a consequence of:
 - (i) the Guarantor receiving an amount in respect of the Company's liability under the Guaranteed Finance Documents; or

(ii) that liability being converted into a claim, proof, judgment or order,

in a currency other than the currency in which the amount is expressed to be payable under the relevant Guaranteed Finance Document, or Clause 11.4 (Currency) (as the case may be).

(b) Unless otherwise required by law, the Company waives any right it may have in any jurisdiction to pay any amount under the Guaranteed Finance Documents in a currency other than that in which it is expressed to be payable.

8.2 Other indemnities

(a) The Company must indemnify each Indemnified Party against any loss or liability which such Indemnified Party incurs as a consequence of:

(i) any representation or warranty of the Company under the Guaranteed Finance Documents not being true or correct when given;

(ii) a breach by the Company of the covenants set out in the UK Guarantee [or the Guaranteed Bonds] or Clause 2.1 (Payment);

(iii) the occurrence of any event of default or potential event of default (however described) under the Guaranteed Bonds;

(iv) any failure by the Company to pay any amount due under a Guaranteed Finance Document on its due date;

(v) any such Indemnified Party being obliged to indemnify, for whatever reason (other than as a direct result of the fraud, gross negligence or wilful default of such Indemnified Party), any party to, or any agent, delegate or contractor of a party to, the Guaranteed Bonds;

(vi) investigating any event which the Guarantor reasonably believes to be a default or any other event or circumstance which the Guarantor in good faith believes might be or become one of those matters referred to in this paragraph 8.2(a) or in disputing or defending any claim in relation thereto;

(vii) acting or relying on any notice which the Guarantor reasonably believes to be genuine, correct and appropriately authorised.

(b) The Company's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Guaranteed Finance Document.

(c) The Guarantor shall not be obliged to pursue first any recovery under any other indemnity or reimbursement obligation before seeking recovery under the reimbursement obligation of the Company under this Agreement.

8.3 Payments

Any amount that becomes payable by the Company under this Clause 8 shall be immediately due and payable on demand.

8.4 Continuing Indemnity

This shall be a continuing indemnity and shall:

- (a) extend to the ultimate balance of the sums and liabilities which are or may become owing to an Indemnified Party under this Agreement; and
- (b) continue in force notwithstanding any intermediate payment in whole or in part of the sums and liabilities which are or may become owing to the Guarantor under this Agreement.

9. TERM OF THIS AGREEMENT

- (a) Subject to paragraph (b) below, this Agreement shall take effect on the Effective Date and shall terminate on the date which is the later of:
 - (i) the date on which the Guarantor is no longer subject to a claim (including any claim arising from a payment made by the Company being declared a Preference) under the UK Guarantee, in accordance with clause 8 (Termination) of the UK Guarantee; and
 - (ii) the date on which all amounts payable to the Guarantor by the Company under this Agreement and all amounts (actually or contingently) payable under the Guaranteed Bonds have been paid in full.
- (b) The provisions of Clauses 1 (Definitions and Interpretation), 4 (Subrogation), 5 (Reimbursement) and 8 (Indemnities) and this Clause 9 shall survive any termination of this Agreement.

10. NATURE OF PARTIES' RIGHTS AND OBLIGATIONS

- (a) Neither the obligations of the Company under this Agreement nor the rights, powers and remedies conferred on the Guarantor in respect of the Company by this Agreement or by law shall be discharged, impaired or otherwise affected by:
 - (i) the winding-up, dissolution, administration or re-organisation of the Company or any other person or any change in its status, control or ownership;
 - (ii) any of the obligations of the Company under any of the Guaranteed Finance Documents being or becoming illegal, invalid, unenforceable or ineffective in any respect;
 - (iii) any time or other indulgence being granted to the Company in respect of its respective obligations under any of the Guaranteed Finance Documents;
 - (iv) any amendment to, or any variation, waiver, exchange or release of, any obligation of the Company under any of the Guaranteed Finance Documents;
 - (v) the existence of any claim, set-off or any other right that the Company (as the case may be) may have against the Guarantor;
 - (vi) any other circumstances, other than payment in full, that might otherwise constitute a defence available to, or discharge of, the Company in respect of the Guaranteed Finance Documents;
 - (vii) any document presented in connection with the Guaranteed Finance Documents proving to be forged, fraudulent, invalid or insufficient in any respect or any statement in any document being untrue or inaccurate in any respect; and

- (viii) any payment by the Guarantor under the UK Guarantee against presentation of a certificate or other document that does not strictly comply with the terms of the UK Guarantee.
- (b) Neither the Guarantor nor any other Indemnified Party shall be liable or responsible for:
 - (i) the use of the UK Guarantee by the Beneficiary or the Holders;
 - (ii) any acts or omissions of the Beneficiary or the Holders in connection with the use of the UK Guarantee by the Beneficiary or the Holders; or
 - (iii) the validity of documents delivered to the Guarantor in connection with any claim under the UK Guarantee, or of any signatures thereon, even if such documents or signatures should in fact prove to be in any or all respects invalid, insufficient or (unless relevant officers of the Guarantor shall have actual knowledge thereof) fraudulent or forged.

11. PAYMENT PROCEDURE

11.1 Payments by the Guarantor

The Guarantor may rely on any documents delivered to it in connection with any claim under the UK Guarantee which appear on their face to be in order, without responsibility for further investigation.

11.2 Place

Unless a Guaranteed Finance Document specifies that payments under it are to be made in another manner, all payments by a Party under a Guaranteed Finance Document must be made to the relevant Party in immediately available funds to its account at such office or bank in London, as it may notify to the other Party for this purpose by not less than four Business Days' prior notice.

11.3 Funds

Payments under the Guaranteed Finance Documents to the Guarantor must be made for value on the due date at such times and in such funds as the Guarantor may specify to the Company as being customary at the time for the settlement of transactions in that currency in the place for payment.

11.4 Currency

- (a) Subject to paragraphs (b) and **Error! Reference source not found.**, unless a Guaranteed Finance Document specifies that payments under it are to be made in a different manner, each amount payable under the Guaranteed Finance Documents is payable in Sterling.
- (b) Amounts payable in respect of Taxes, fees, costs and expenses are payable in the currency in which they are incurred.
- (c) If a change in any currency of a country occurs (including where there is more than one currency or currency unit recognised at the same time as the lawful currency of a country), the Guaranteed Finance Documents (for these purposes excluding the Guaranteed Bonds) will be amended to the extent the Guarantor (acting reasonably and after consultation with the Company) determines is necessary to reflect the change.

11.5 No set-off or counterclaim

All payments made by the Company to the Guarantor under the Guaranteed Finance Documents must be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

11.6 Business Days

- (a) The Company must make any and all payments to be made under this Agreement on the date on which such payment becomes due and payable (and in respect of any payment made by the Guarantor under the UK Guarantee, the date on which the Guarantor makes such payment).
- (b) Subject to the terms of the Guaranteed Bonds, if a payment under the Guaranteed Finance Documents is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not) or whatever day the Guarantor determines is market practice.
- (c) During any extension of the due date for payment of any principal under this Agreement interest is payable on that principal at the rate payable on the original due date.

11.7 Timing of payments

If a Guaranteed Finance Document does not provide for when a particular payment is due, that payment will be due within three Business Days of demand by the Guarantor.

11.8 Interest on late payments

All payments to be made by the Company under this Agreement shall bear interest at the Default Rate from the date due to (and including) the date paid (both before and after any judgment or other order of a court of competent jurisdiction).

11.9 Determination of amount due

Any certification or determination by the Guarantor of a rate or amount made pursuant to the terms of this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

12. TAX

12.1 Tax gross-up

- (a) The Company must make any and all payments to be made by it under this Agreement without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If a Tax Deduction is required by law to be made by the Company, the amount of the payment due from the Company will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (c) If the Company is required to make a Tax Deduction, the Company must make the minimum Tax Deduction allowed by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (d) Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Company must deliver to the Guarantor evidence satisfactory to the Guarantor

(acting reasonably) that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.

- (e) If the Company makes a Tax Payment and a Tax Credit is attributable either to an increased payment of which that Tax Payment forms a part, or to that Tax Payment, and the Guarantor obtains and utilises that Tax Credit, the Guarantor shall pay an amount to the Company which will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Company.

12.2 Value added taxes

- (a) All amounts set out, or expressed to be payable under a Guaranteed Finance Document by the Company to the Guarantor which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is or becomes chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by the Guarantor to the Company under a Guaranteed Finance Document and the Guarantor is required to account for the VAT, the Company must pay to the Guarantor (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and the Guarantor must promptly provide an appropriate VAT invoice to the Company).
- (b) Where a Guaranteed Finance Document requires the Company to reimburse or indemnify the Guarantor for any costs or expenses, the Company must also at the same time reimburse and/or indemnify (as the case may be) the Guarantor against all VAT incurred by the Guarantor in respect of the costs or expenses.
- (c) Any reference in this Subclause to any Party will, at any time when that Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated as making the supply, or (as appropriate) receiving the supply, under the grouping rules (as provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by a member state of the European Union)).
- (d) If VAT is chargeable on any supply made by the Guarantor to the Company under a Guaranteed Finance Document and if reasonably requested by the Guarantor, the Company must promptly give the Guarantor details of its VAT registration number and any other information as is reasonably requested in connection with the Guarantor's reporting requirements for the supply.

13. AMENDMENTS AND WAIVERS

- (a) Any term of the Guaranteed Finance Documents may be amended or waived with the written agreement of the Company and the Guarantor provided that any term of the UK Guarantee may only be amended or waived with the written agreement of the Company, the Guarantor and the Beneficiary.
- (b) The rights of the Guarantor under this Agreement:
 - (i) may be exercised as often as is necessary;
 - (ii) are cumulative and not exclusive of its rights under the general law;
 - (iii) are in addition to any rights and remedies provided for in the UK Guarantee or the Guaranteed Bonds; and
 - (iv) may be waived only in writing.

- (c) Any delay in exercising or non-exercise by the Guarantor of any right of the Guarantor under this Agreement is not a waiver of that right.
- (d) The Guarantor shall have the right to exercise in its complete discretion the waiver of any default under this Agreement by written notice setting forth the terms, conditions and extent of such waiver. Unless such notice expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the default so waived, and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

14. FURTHER ASSURANCE

The Company shall, so far as permitted by applicable law and regulatory requirements, at its own expense, take whatever action the Guarantor may require (acting reasonably) at any time to give effect to the provisions or to facilitate the performance of the Guaranteed Finance Documents.

15. CHANGES TO THE PARTIES

- (a) The Company may not assign or transfer any of its rights and obligations under the Guaranteed Finance Documents without the prior written consent of the Guarantor.
- (b) The rights and obligations of the Guarantor under the Guaranteed Finance Documents shall not be assigned, novated or otherwise transferred (whether by virtue of any legislation or any scheme pursuant to any legislation or otherwise) to any person other than to any public body (being a single entity) acquiring the whole of the rights and obligations of the Guarantor under the Guaranteed Finance Documents and having the legal capacity, power and authority to become a party to and to perform the obligations of the Guarantor under the Guaranteed Finance Documents being:
 - (i) a Minister of the Crown pursuant to an Order under the Ministers of the Crown Act 1975;
 - (ii) any governmental body or department which has sufficient financial standing or financial resources to perform the obligations of the Guarantor under the Guaranteed Finance Documents; or
 - (iii) any other public body whose obligations under the Guaranteed Finance Documents are unconditionally and irrevocably guaranteed (in a form reasonably acceptable to the Company) by the Guarantor or a Minister of the Crown having the legal capacity, power and authority to perform the obligations of the Guarantor under the Guaranteed Finance Documents.
- (c) A transfer of obligations under this Clause 15 will be effective only if the new Party confirms to the other Party in form and substance satisfactory to the other Party that it is bound by the terms of the Guaranteed Finance Documents. On the transfer becoming effective in this manner the original Party will be released from its obligations under the Guaranteed Finance Documents to the extent that they are transferred to the new Party.

16. DISCLOSURE OF INFORMATION

- (a) Each Party must keep confidential any information supplied to it by or on behalf of the other Party in connection with the Guaranteed Finance Documents. However, each Party is entitled to disclose information:
 - (i) which is publicly available, other than as a result of a breach by it of this Clause;
 - (ii) in connection with any legal or arbitration proceedings;

- (iii) if required to do so under any law or regulation or by order of a court or other public body that has jurisdiction over the relevant Party;
 - (iv) to Parliament, the European Commission, any UK government department or a governmental, banking, taxation or other regulatory authority;
 - (v) to its officers, employees and professional advisers;
 - (vi) [to any rating agency, provided that the Party providing the information shall procure that the recipient of the information shall be subject to the same obligation of confidentiality as that contained in this Agreement;]
 - (vii) with the agreement in writing of the other Party; or
 - (viii) in the case of the Guarantor, for the purposes of the Freedom of Information Act 2000 or other laws or regulations relating to the disclosure of information to which the Guarantor is subject (and the Guarantor shall be responsible for determining at its absolute discretion whether it is subject to such laws or regulations and whether or not the information is exempt from disclosure).
- (b) This Clause supersedes any previous confidentiality undertaking given by the Guarantor in connection with this Agreement.

17. NOTICES

17.1 In writing

- (a) Any communication in connection with a Guaranteed Finance Document must be in writing and, unless otherwise stated, may be given:
- (i) in person, by post: or
 - (ii) to the extent agreed between the Guarantor and the Company, by e-mail or other electronic communication.
- (b) For the purpose of the Guaranteed Finance Documents, an electronic communication will be treated as being in writing.
- (c) Unless it is agreed to the contrary, any consent or agreement required under a Guaranteed Finance Document must be given in writing.

17.2 Contact details

- (a) The contact details of the Company for this purpose are:

Address: [ADDRESS]
 [E-mail: [E-MAIL]]
 Attention: [ATTENTION].

- (b) The contact details of the Guarantor for this purpose are:

Address: 1 Horse Guards Road, London, SW1A 2HQ
 [E-mail: [E-MAIL]]
 Attention: [ATTENTION].

- (c) The Company or the Guarantor may change their contact details by giving five Business Days' notice to the other Party.
- (d) Where a Party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

17.3 Effectiveness

- (a) Except as provided below, any communication in connection with a Guaranteed Finance Document will be deemed to be given as follows:
 - (i) if delivered in person, at the time of delivery;
 - (ii) if posted, when it has been received at the relevant address, or (if earlier) five Business Days after being deposited in the post, postage prepaid, in a correctly addressed envelope; and
 - (iii) if by e-mail or any other electronic communication, when received in legible form.
- (b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- (c) A communication to the Guarantor will only be effective on actual receipt by it.

17.4 English Language

- (a) Any notice given in connection with a Guaranteed Finance Document must be in English.
- (b) Any other document provided in connection with a Guaranteed Finance Document must be:
 - (i) in English; or
 - (ii) (unless the Guarantor otherwise agrees) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

18. SEVERABILITY

If a term of a Guaranteed Finance Document is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of the Guaranteed Finance Documents; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of the Guaranteed Finance Documents.

19. COUNTERPARTS

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

20. SET OFF

The Guarantor may set off any matured obligation owed to it by the Company under a Guaranteed Finance Document (for these purposes excluding the Guaranteed Bonds) (to the extent beneficially owned by the Guarantor) against any obligation (whether or not matured) owed by the Guarantor to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Guarantor may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

21. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

22. JURISDICTION

- (a) The English courts have exclusive jurisdiction to settle any dispute including a dispute relating to any non-contractual obligation arising out of or in connection with any Guaranteed Finance Document.
- (b) The English courts are the most appropriate and convenient courts to settle any such dispute in connection with any Guaranteed Finance Document. The Company agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with any Guaranteed Finance Document.
- (c) This paragraph is for the benefit of the Guarantor only. To the extent allowed by law, the Guarantor may take:
 - (i) proceedings in any other court; and
 - (ii) concurrent proceedings in any number of jurisdictions.
- (d) References in this Clause to a dispute in connection with a Guaranteed Finance Document includes any dispute as to the existence, validity or termination of that Guaranteed Finance Document.

This Agreement has been entered into as a deed and has been delivered on the date stated at the beginning of this Agreement.

SIGNATORIES

Company

EXECUTED as a deed by)
[COMPANY])
acting by)
)
)
Director)
)
)
Director/Witness)

Name:

Address:

Guarantor

EXECUTED as a deed by)
THE LORDS COMMISSIONERS OF HER)
MAJESTY'S TREASURY)
in the presence of)
)
)
)
)
)
)
)
)
Witness)

Two of the Lords Commissioners of Her Majesty's Treasury

Name:

Address: