IN THE HIGH COURT OF JUSTICE **CLAIM NO CR-2026-004247**

BUSINESS AND PROPERTY DIVISION

INSOLVENCY AND COMPANIES LIST

IN THE MATTER OF
TSB BANK PLC

- and -

IN THE MATTER OF
SANTANDER UK PLC

- and –

IN THE MATTER OF
PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

SCHEME

FOR THE TRANSFER OF THE
BANKING BUSINESS OF TSB BANK PLC
TO
SANTANDER UK PLC
IN ACCORDANCE WITH PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

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HIGH COURT OF ENGLAND AND WALES

Scheme pursuant to Part VII of, and Schedule 12 to, FSMA and the Regulations under which the business of TSB Bank plc (the *Transferor*) is to be transferred to Santander UK plc (the *Transferee*)

PART A

1. INTRODUCTION

1.1 The Transferor is a public limited company incorporated under the laws of Scotland with registered company number SC095237 and whose registered address is Henry Duncan House, 120 George Street, Edinburgh, EH2 4LH.

1.2 The Transferee is a public limited company incorporated under the laws of England and Wales with registered company number 02294747 and whose registered address is 2 Triton Square, Regent's Place, London, NW1 3AN.

1.3 The business carried on by the Transferor is a banking business, including current accounts, savings products and various lending products. The business carried on by the Transferee is also a banking business which includes current accounts, savings products and various lending products.

1.4 Each of the Transferor and the Transferee has a Part 4A permission, as defined in section 55A of FSMA, to accept deposits and to effect and carry out banking business specified in Chapter II of Part II of the Regulated Activities Order.

2. SCHEME

2.1 It is proposed that, subject to and in accordance with Part VII of, and Schedule 12 to, FSMA and the Regulations, the Business shall by the Order be transferred to the Transferee with effect from the Effective Date and thereafter shall be dealt with in accordance with this Scheme.

PART B

3. DEFINITIONS

In this Scheme (including the schedules), words and expressions shall have the following meanings:

Affiliate means, in relation to any person, any subsidiary or parent company of that person and any subsidiary of any such parent company;

All Monies Rights means rights providing for a Security Interest given in relation to an agreement to secure, in addition, obligations arising under other agreements;

Applicable Law means all applicable laws, statutes, rules, regulations, directives, byelaws and mandatory guidelines, ordinances, code or rule of law issued, administered or enforced by any governmental authority, and any judicial or generally applicable administrative interpretation of any of these, whether national or international, as amended from time to time;

Assumed Liabilities means all Liabilities of the Transferor from, relating to and/or in connection with the Business, including (without limitation) all Liabilities set out in Part 2 of Schedule 1 (*The Business*), but excluding the Excluded Liabilities;

BINs means the Bank Identification Numbers issued to the Transferor by MasterCard or Visa and used by the Business at the Effective Date to identify the Transferor as the issuer of credit cards and debit cards;

BoE means the Governor and Company of the Bank of England;

BoE Accounts means all accounts (of whatever nature, including, without limitation, any collateral accounts, settlement accounts and liquidity accounts) held by the Transferor with the BoE immediately prior to the Effective Date, including, without limitation, any accounts relating to:

(a) the Transferor's participation in the Sterling Monetary Framework and the TFSME;

(b) meeting settlement obligations in relation to the Transferor's Payment Scheme Memberships;

(c) prefunding in relation to the Transferor's Payment Scheme Memberships (such accounts and facilities to be listed in the BoE Side Letter); and/or

(d) reserves, collateral, liquidity and any other operational accounts listed in the BoE Side Letter;

BoE Collateral Assets means any Business Assets which are delivered to, pre-positioned with or held by the BoE as collateral (whether or not securing any outstanding drawing) pursuant to or in connection with the terms of the BoE Financing from time to time, and including all rights, titles, interests and associated obligations in respect of such collateral arrangements;

BoE Documentation means any contract, commitment, engagement, undertaking or other agreement entered into between the Transferor and the BoE in respect of the BoE Accounts;

BoE Financing means any financing arrangement made available by the BoE to the Transferor under any liquidity insurance scheme or facility offered by the BoE from time to time including (without limitation) the TFSME and any other facilities and open market operations under the Sterling Monetary Framework and any related collateral arrangements;

BoE Side Letter means the side letter in respect of the BoE Accounts and the BoE Documentation, specifying certain Transferring BoE Arrangements and the Non-Transferring BoE Arrangements, entered into between the Transferor, the Transferee and the BoE, which will take effect on the Effective Date;

Business means all the business, undertaking, assets and liabilities of the Transferor as held or carried on by the Transferor at the Effective Date (including all current and past activities), including the Business Assets and the Assumed Liabilities, but excluding the Excluded Assets and the Excluded Liabilities;

Business Assets means the property, undertakings, rights and assets of the Transferor that make up the Business, including (without limitation) all assets set out in Part 1 of Schedule 1 (*The Business*), but excluding the Excluded Assets;

Business Claims means the benefit of all rights and claims arising exclusively from the carrying on of the Business by the Transferor (whether arising on, prior to or after the Effective Date) but excluding rights and claims to the extent that they relate to any of the Excluded Assets or the Excluded Liabilities;

Business Contracts means all contracts, engagements, licences, guarantees, indemnities and other commitments which relate to the Business and have been entered into by or on behalf of the Transferor prior to the Effective Date, other than a Customer Agreement or a Guarantor Agreement;

Business Equipment means all business equipment including, but not limited to, computers, mobile phones and office hardware used for the purposes of the Business;

Business IP means the Intellectual Property Rights used by the Transferor in the Business;

Business Records means all books and records of the Transferor to the extent they relate to the Business;

CHAPS means the UK's electronic payment system operated by the BoE for high value payments;

Clearing Agreement means any agreement entered into by the Transferor with a clearing broker or central counterparty (or any Affiliate of a clearing broker) under which Treasury Transactions are submitted for clearing, or are cleared, together with any related documentation forming part of, or entered into in connection with, such agreement;

Consolidation Rights means rights providing for a Security Interest given in relation to an agreement not to be released or discharged until obligations have been satisfied in relation to any other agreement;

Contract Counterparty means a party to a Business Contract or Existing Transferee Business Contract other than the Transferor or the Transferee;

Court means the High Court of England and Wales;

Covered Bonds LLP means TSB Covered Bonds LLP;

Covered Bond Programme means the £10,000,000,000 covered bond programme established by the Transferor, under which the Transferor issues covered bonds guaranteed by the Covered Bonds LLP and constituted by the Covered Bond Trust Deed;

Covered Bond Transaction Documents means the agreements, deeds, instruments, powers of attorney and other documents entered into by the Transferor in connection with the Covered Bond Programme (including, but not limited to, in its capacity as issuer, seller, servicer, cash manager, cover pool swap provider, as a member of the Covered Bonds LLP and TSB Covered Bonds (LM) Limited) but excluding, for the avoidance of doubt, any Customer Agreement or Guarantor Agreement sold, assigned, mortgaged, charged or otherwise transferred into, or comprised in the portfolio of, the Covered Bond Programme;

Covered Bond Trust Deed means the trust deed originally dated 24 February 2017 between the Transferor, the Covered Bonds LLP and the bond trustee (as the same may be supplemented, amended and/or amended and restated from time to time) constituting the covered bonds issued under the Covered Bond Programme;

Cross Default Rights means rights providing for, or which (if exercised) might result in, the termination, acceleration or alteration of payment obligations or other rights or obligations under an agreement as a result of a breach or default under another agreement;

Customer means a current or former retail or business customer of the Transferor and includes any person acting as agent, trustee, representative or attorney for such customer, who, jointly or with others, has:

(a) entered into a Customer Agreement; or

(b) started but not completed the process of entering into a Customer Agreement,

in either case, on or before the Effective Date;

Customer Agreement means:

(a) an agreement, contract, set of terms and conditions and/or any other document, policy, facility, deed, instrument or arrangement which gives or gave rise to rights and obligations between the Transferor (or any predecessor to the Transferor) and a Customer under which the Transferor (or any predecessor to the Transferor) agrees or agreed to provide services to the Customer involving accepting deposits, making loans (including unsecured or secured loans, credit cards and overdrafts), arranging insurance, or providing any other services of a banking, insurance or financial services nature; and

(b) any guarantee, indemnity, legal charge, standard security or other security, and any document governing any of them, entered into or granted by a Customer in connection with any agreement, contract, terms and conditions, document, policy, facility, deed, instrument or arrangement described in paragraph (a),

in each case, excluding any Covered Bond Transaction Documents or Duncan Transaction Documents;

Customer Data means all data relating to Customers held by the Transferor and collected by the Transferor in connection with the Business;

Data Protection Laws means the UK GDPR (as defined in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018), the Data Protection Act 2018, the Privacy and Electronic Communications (EC Directive) Regulations 2003, each as amended by the Data Use and Access Act 2025 and all Applicable Law (including the General Data Protection Regulation (EU) 2016/679, if applicable) relating to the processing of personal data and privacy, including where applicable the binding guidance and binding codes of practice issued by the Information Commissioner's Office and any successors or assigns or other regulator;

Data Subject has the meaning given to that term or any similar terms under Data Protection Laws;

Derivative Transaction means any transaction or contract entered into by the Transferor in the course of the Business which is a derivative or derivative contract, whether or not such derivative or derivative contract is governed by or subject to a Master Agreement or a Clearing Agreement, including (where applicable) any confirmations, credit support documents or other related documentation in connection with such derivative or derivative contract;

Direct Marketing Communication means any communication that constitutes direct marketing for the purposes of Data Protection Laws;

Dispute means a dispute arising between the Transferor and Transferee out of or in connection with this Scheme, including, without limitation, disputes arising out of or in connection with any non-contractual obligations arising out of or in connection with this Scheme;

Duncan 2022 Transaction means the securitisation transaction in respect of which Duncan Funding 2022-1 plc is the issuer of residential mortgage backed securities constituted by a trust deed dated 18 August 2022 between Duncan Funding 2022-1 plc and Citicorp Trustee Company Limited;

Duncan 2024 Transaction means the securitisation transaction in respect of which Duncan Funding 2024-1 plc is the issuer of residential mortgage backed securities constituted by a trust deed dated 23 May 2024 between Duncan Funding 2024-1 plc and BNY Mellon Corporate Trustee Services Limited;

Duncan Transaction means each of the Duncan 2022 Transaction and the Duncan 2024 Transaction;

Duncan Transaction Documents means the agreements, deeds, instruments and other documents entered into by the Transferor in connection with a Duncan Transaction (including, but not limited to, in its capacity as seller, servicer, cash manager, start-up loan provider, collection account bank, dematerialised note registrar and, in relation to the Duncan 2024 Transaction, swap provider) but excluding, for the avoidance of doubt, any Customer Agreement or Guarantor Agreement sold, assigned, mortgaged, charged or otherwise transferred into, or comprised in the portfolio of, a Duncan Transaction;

Effective Date means the time at which this Scheme shall become effective in accordance with paragraph 20;

Eligible Deposits has the meaning given to it in Chapter 2 of Depositor Protection Part of the PRA Rulebook;

Employment Contract means any contract of employment between the Transferor and an employee of the Transferor;

EMTN Programme means the £2,000,000,000 euro medium term note programme established by the Transferor, under which the Transferor issues notes constituted by the relevant EMTN Trust Deed;

EMTN Trust Deed means, in respect of notes issued under the EMTN Programme:

(a) the trust deed between the Transferor and the note trustee dated 18 March 2021 (as amended, supplemented or restated from time to time); and

(b) the trust deed between the Transferor and the note trustee dated 5 June 2025 (as amended, supplemented or restated from time to time).

Encumbrance means any claim, charge (whether legal or equitable and whether registered or unregistered), mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or any third party right or Security Interest of any kind or an agreement, arrangement or obligation to create any of the foregoing, which is held by, owned by or granted to or in favour of: (i) the Transferor in connection with the Business, or (ii) the Transferee in connection with the Transferee Business;

Entire Agreement Clause means a clause contained in a Customer Agreement, Existing Transferee Agreement, Business Contract or New Transferee Agreement which provides that the agreement represents the entire agreement between the parties in relation to all or some of the accounts or services of the type that are the subject matter of the agreement or that are referred to in the agreement, or otherwise states that the relevant Customer Agreement, Existing Transferee Agreement, Business Contract or New Transferee Agreement (as applicable) will apply to all accounts or services provided by the Transferor or the Transferee (as appropriate);

Excess Deposits means the amount of Qualifying Deposits held by a Qualifying Deposit Customer which exceeds the applicable FSCS Limit on the Relevant Date (or, if a withdrawal or transfer is made between the FSCS Notice Commencement Date and the Relevant Date, immediately before the withdrawal or transfer);

Excluded Access To Cash Agreements means all agreements entered into between the Transferor and Cash Access UK Limited, including the subscription agreement dated on or around 3 August 2026 and any ancillary agreements thereto;

Excluded Assets means those properties, rights and assets relating to the Business described in Part 1 of Schedule 2 (*Non-Transferring Business*);

Excluded Liabilities means the Liabilities of the Transferor described in Part 2 of Schedule 2 (*Non-Transferring Business*);

Existing Transferee Agreement means an Existing Transferee Business Contract, an Existing Transferee Guarantor Agreement or an Existing Transferee Customer Agreement;

Existing Transferee Business Contract means any agreement between the Transferee and a third party (other than a Customer or a Guarantor) in existence prior to the Effective Date or, if later, the last Subsequent Transfer Date applicable to any Business Contract between the Transferor and the same third party;

Existing Transferee Customer Agreement means any agreement between a Customer and the Transferee to the extent in force immediately prior to the Effective Date or, if later, the last Subsequent Transfer Date applicable to any Customer Agreement between the Transferor and the same Customer;

Existing Transferee Guarantor Agreement means any guarantee, indemnity, undertaking, third party security document or other agreement or arrangement under which a person has agreed to be responsible for, or otherwise support, the obligations of a customer of the Transferee, whether contingent or actual, and whether created by contract, deed or otherwise, to the extent in force immediately prior to the Effective Date or, if later, the last Subsequent Transfer Date applicable to any other transferring agreement between the Transferor and the person who has agreed to be responsible for, or otherwise support, the obligations of the customer of the Transferee;

FCA means the Financial Conduct Authority (or its successor authority or authorities, as applicable);

FSCS means the Financial Services Compensation Scheme;

FSCS Limit means the maximum compensation sum payable for the aggregate Eligible Deposits of depositors under Chapter 4 of the Depositor Protection Part of the PRA Rulebook as it applies immediately prior to the Relevant Date;

FSCS Notice Commencement Date means 16 February 2027;

FSCS Notice End Date means 31 May 2027 or, in respect of:

(a) Qualifying Deposits which are Residual Liabilities; or

(b) Unrestricted Sanctioned Accounts, the date falling three months after the relevant Subsequent Transfer Date;

FSMA means the Financial Services and Markets Act 2000;

Guarantor means a person who, on or before the Effective Date, has entered into a Guarantor Agreement with the Transferor;

Guarantor Agreement means any guarantee, indemnity, undertaking, third party security document or other agreement or arrangement under which any person other than a Customer has agreed to be responsible for, or otherwise support, the obligations of the Customer under a Customer Agreement, whether contingent or actual, and whether created by contract, deed or otherwise;

Indebtedness means borrowings and indebtedness in the nature of borrowing (including by way of acceptance credits, discounting or similar facilities, loan stocks, bonds, debentures, notes, overdrafts or any other similar arrangements the purpose of which is to raise money);

Intellectual Property Rights means:

(a) patents, utility models and rights in inventions;

(b) rights in each of know-how, confidential information and trade secrets;

(c) trademarks, service marks, rights in logos, trade names, rights in each of get-up and trade dress and domain names;

(d) copyright, moral rights, database rights, rights in designs, and semiconductor topography rights;

(e) any other intellectual property rights; and

(f) all rights or forms of protection, subsisting now or in the future, having equivalent or similar effect to the rights referred to in paragraphs (a) to (e) above,

in each case: (i) anywhere in the world; (ii) whether unregistered or registered (including all applications, rights to apply and rights to claim priority); and (iii) including all divisionals, continuations, continuations-in-part, reissues, extensions, re-examinations and renewals;

ISA means an Individual Savings Account;

ISA Manager means a person who is approved by HM Revenue and Customs for the purposes of the ISA Regulations as an account manager;

ISA Regulations means the Individual Savings Account Regulations 1998;
Lease means with respect to leased:

(a) equipment, the goods and equipment (including computer and telecommunications equipment), leased to the Transferor and which are used in connection with the Business;

(b) vehicles, the motor vehicles leased to the Transferor and which are used in connection with the Business; or

(c) properties, any property or premises leased to the Transferor and which are used in connection with the Business;

Liabilities means all liabilities, duties and obligations of every description, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent or ascertained or unascertained and whether owed or incurred severally or jointly or as principal or surety;

Losses means losses, damages, costs (including reasonable legal costs) and expenses (including Taxation), in each case of any nature whatsoever;

Marketing Consent means any consent provided by a Data Subject permitting Direct Marketing Communications to be sent to them, whether by opt-in consent or by inferred consent under the Soft Opt-in;

Marketing Opt-out means any indication by a Data Subject (by act or omission, as appropriate) that any given Marketing Consent is withheld or withdrawn or that the Data Subject has exercised their right to object to receiving Direct Marketing Communications;

Marketing Preference means a Marketing Consent or Marketing Opt-out, as applicable to an individual Data Subject;

Master Agreement means:

(a) (in respect of a Derivative Transaction), the 1992, the 2002 or any other master agreement applying to derivatives published by the International Swaps and Derivatives Association, Inc; and

(b) (in respect of a Securities Financing Transaction), any Global Master Repurchase Agreement or any Global Master Securities Lending Agreement;

New Transferee Agreement means any agreement to the extent entered into by the Transferee on or after the Effective Date;

Non-Transferring BoE Arrangements means:

(a) the rights, obligations, benefits, burdens, liabilities, title and interest in respect of the BoE Accounts, including any contracts, agreements and ancillary documents entered into by the Transferor relating to the BoE Accounts and entered into in connection with the Payment Schemes; and

(b) any balance (positive, negative or zero) on and assets contained in any BoE Account,

in either case, that are specified as 'Non-Transferring Arrangements' in the BoE Side Letter;

Operational Bank Accounts means any bank accounts used by the Transferor in the course of business for the receipt, holding or payment of funds, including all accounts used to make or receive payments in connection with business activities, settle liabilities, or otherwise support the functioning of the business, including suspense accounts;

Order means an order made by the Court pursuant to section 111 of FSMA sanctioning this Scheme and any order (including any subsequent order) in relation to this Scheme made by the Court pursuant to section 112 of FSMA;

parent company means any person that in relation to another person (its ***subsidiary***) satisfies one or more of the following criteria:

(a) holds a majority of the voting rights in the subsidiary;

(b) is a member of the subsidiary and has the right to appoint or remove a majority of its board of directors or management body;

(c) is a member of the subsidiary and controls a majority of the voting rights in it under an agreement with the other members; or

(d) has the right to exercise a dominant influence over the subsidiary under the subsidiary's articles, constitutional documents, or a contract authorised by them,

in each case whether directly or indirectly through one or more companies or other entities;

Party means each of the Transferor and the Transferee (together, the **"*Parties***");

Payment Schemes means those payment schemes in which the Transferor participates directly or indirectly as at the Effective Date, including but not limited to Faster Payments Service, Bacs, CHAPS and Image Clearing System;

Payment Scheme Memberships means any contracts, agreements and ancillary documents entered into by the Transferor to give effect to the Transferor's membership of, or participation in, banking industry bodies, Payment Schemes and related arrangements (including but not limited to the Transferor's participation in: (i) the Confirmation of Payee Service; (ii) the Cash ISA Transfer Service; (iii) the Current Account Switching Service; (iv) the Reimbursement Claims Management System; and (v) the Public Key Infrastructure Trust Service, all operated or managed by Pay.UK) which relate exclusively or predominantly to the Business, but excluding any such contracts, agreements and ancillary documents which are Transferring BoE Arrangements;

Payment Scheme Memberships Reference Information means any identifiers or references that banking industry bodies and Payment Schemes use to identify the Transferor for the purposes of making and receiving payments and the provision of ancillary services and activities and which relate exclusively or predominantly to the Business;

Personal Data has the meaning given to that term or any similar terms under Data Protection Laws;

Pipeline Business means any application made by a person to the Transferor, whether or not accepted by the Transferor, and any offer or invitation made by the Transferor to a person, in each case made prior to or at the Effective Date, which may result in the execution or entry into after the Effective Date of what would, had the relevant agreement been executed or entered into prior to the Effective Date, be a Customer Agreement;

PRA means the Prudential Regulation Authority (or its successor authority or authorities, as applicable);

Proceedings means any litigation, legal action, claim, complaint, demand, petition, suit, arbitration, mediation, investigation, inquiry, hearing, order, appeal or dispute resolution procedure or other legal or regulatory or administrative process, whether intended to have interim or final legal effect in relation to its subject matter, before any court, governmental authority, regulatory authority, tribunal, arbitration panel, ombudsman or other body subsisting or empowered by any applicable law or regulation;

Prohibited Arrangements means any asset or liability, the transfer of which to the Transferee would cause the Transferee to be in breach of any requirement under the Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014;

Qualifying Deposit Customer means a Customer who holds Eligible Deposits with both the Transferor and the Transferee at any time from the FSCS Notice Commencement Date until the Relevant Date;

Qualifying Deposits means Eligible Deposits (including any Eligible Deposits withdrawn or transferred pursuant to this Scheme) held immediately following the Relevant Date by a Qualifying Deposit Customer with the Transferee (or, in the period between the FSCS Notice Commencement Date and the Relevant Date, held with the Transferor and the Transferee) with an aggregate balance in excess of the applicable FSCS Limit;

Regulated Activities Order means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544);

Regulations means the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001;

Relevant Date means the Effective Date (except in the case of any Residual Asset, BoE Collateral Asset, Sanctioned Account or Residual Liability in which case it means the applicable Subsequent Transfer Date);

Residual Asset means:

(a) any property or assets of the Transferor, including any Encumbrance in favour of the Transferor:

(i) which the Court does not have jurisdiction to transfer;

(ii) which, despite having such jurisdiction, the Court determines not to transfer; or

(iii) which the Transferor and the Transferee agree in writing prior to the Effective Date would be more conveniently, or which pursuant to the terms of this Scheme is to be, transferred after the Effective Date; and

(b) any proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash, or other asset earned or received from time to time after the Effective Date in respect of any property referred to in paragraph (a);

Residual Liability means any liability or obligation of the Transferor:

(a) which relates to a Residual Asset and arises at any time before the Subsequent Transfer Date applicable to that Residual Asset;

(b) which the Court does not have jurisdiction to transfer;

(c) which, despite having such jurisdiction, the Court determines not to transfer; or

(d) which the Transferor and the Transferee agree in writing prior to the Effective Date would more conveniently be, or which pursuant to the terms of this Scheme is to be, transferred after the Effective Date;

Retained Information means all Tax, accounting, financial and other records of the Transferor which relate to the Business and which the Transferor is required by law to retain after the Relevant Date;

Sanction Hearing means the Court hearing at which the order sanctioning the transfer of the Business pursuant to this Scheme will be sought;

Sanctioned Account means (i) any Customer Agreement associated with a Sanctioned Person; (ii) a deposit from a Sanctioned Person that has been frozen under Sanctions Law or any payment made (or reasonably suspected to be made) from a Sanctioned Person that as at the Effective Date has been frozen; and (iii) any amount or balance held in a suspense, collections or other account that is attributable to a Customer Agreement associated with a Sanctioned Person or a deposit from a Sanctioned Person;

Sanctioned Person means any person, organisation or vessel: (i) listed on the UK Sanctions List or any list of designated or sanctioned persons, organisations or vessels (or equivalent) administered by a Sanctions Authority; (ii) owned or controlled, directly or

indirectly, by or acting on behalf of any of the foregoing; or (iii) otherwise subject to or targeted under any Sanctions Law;

Sanctions Authority means the United Kingdom ("**UK**"), and its governmental, judicial or regulatory institutions, agencies, departments and authorities, including but not limited to His Majesty's Treasury ("**HMT**"), the Office of Financial Sanctions Implementation ("**OFSI**"), the Foreign Commonwealth and Development Office ("**FCDO**"), the UK's Department for Business and Trade, and the Office for Trade Sanctions Implementation ("**OTSI**");

Sanctions Law means any UK laws or regulations relating to economic, financial or trade sanctions, export controls, or trade embargoes from time to time imposed, administered, enacted or enforced by a Sanctions Authority;

Scheme means this banking business transfer scheme pursuant to Part VII of FSMA for the transfer of the Business from the Transferor to the Transferee (including the schedules thereto) in its original form or with, or subject to, any modification, addition or condition pursuant to paragraph 21;

Securities Financing Transaction means any transaction or contract entered into by the Transferor in the course of the Business which is a repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction or securities borrowing transaction, whether or not such contract is documented by way of a Master Agreement, including (where applicable) any schedules, confirmations, credit support annexes or other related documentation in connection with such transaction;

Security Interest includes a mortgage or charge (whether legal or equitable and whether registered or unregistered), standard security, debenture, bill of exchange, pledge (whether actual or constructive), hypothecation, assignment or assignation by way of security, flawed asset arrangement, letter of postponement, commitment or other security granted by any person to secure the payment of a debt or performance of some other obligation and includes any agreement, transaction or arrangement, in whatever form and whether or not denominated as security, which has the purpose or effect of granting, creating, evidencing, preserving or enhancing rights in respect of any asset or undertaking to secure, support or improve the likelihood of payment or performance of any obligation, and includes any security interest or analogous proprietary right recognised under the law of any jurisdiction, including without limitation under the law of Scotland;

Set Off Rights means rights arising under, or in relation to, any Customer Agreement, Existing Transferee Agreement, Business Contract or Guarantor Agreement providing for credit balances on one account or other amounts owed to a customer or Contract Counterparty to be used as payment towards a liability arising on, or in relation to, another account or other amounts owed by the customer or Contract Counterparty;

Soft Opt-in means the exemption under Regulation 22(3) of the Privacy and Electronic Communications (EC Directive) Regulations 2003;

Sort Codes means the sort codes used by the Transferor at the Effective Date in relation to:

(a) Customer accounts; and

(b) any collection account whose details are provided to Customers for them to make payments or repayments under Customer Agreements;

SRT Transaction means a significant risk transfer synthetic securitisation entered into by the Transferor in the form of a credit-linked note issued by the Transferor to professional investors (whether entered into before or after the date of this Scheme but prior to the Effective Date), together with any related documentation (including, without limitation, the agency agreement entered into between, amongst others, the Transferor, the fiscal agent, the paying agent and the registrar, the deed of covenant, each investor representation letter entered into between the Transferor, the dealer and each investor and any engagement letter(s) signed with any verification agent in connection therewith) entered into in connection with such transaction;

Sterling Monetary Framework means the Sterling Monetary Framework of the BoE in which the Transferor is a participant;

Subject Access Request means a request for information made by a data subject pursuant to Article 15 of the UK GDPR;

Subsequent Transfer Date means, in relation to any Residual Asset, Sanctioned Account, BoE Collateral Asset or Residual Liability, each date after the Effective Date on which such Residual Asset, Sanctioned Account, BoE Collateral Asset or Residual Liability is or is to be transferred to the Transferee, namely:

(a) in respect of any Residual Asset falling within paragraphs (a)(i) or (a)(ii) of the definition of Residual Asset, and of any Residual Liability falling within paragraphs (b) or (c) of the definition of Residual Liability, the date on which the requisite order or recognition to enable the same to be transferred to the Transferee upon the terms of this Scheme is:

(i) obtained; or

(ii) no longer required;

(b) in respect of any Residual Asset falling within paragraph (a)(iii) of the definition of Residual Asset and of any Residual Liability which falls within paragraph (d) of the definition of Residual Liability, the date on which the Transferee and the Transferor agree that the transfer shall take effect or on which the Residual Asset or Residual Liability becomes capable of being transferred under the terms of this Scheme;

(c) in the case of any Residual Liability falling within paragraph (a) of the definition of Residual Liability which relates to any Residual Asset falling within paragraph (a) of the definition of Residual Asset, the time at which such Residual Asset transfers in accordance with the provisions of (a) or (b) above;

(d) in the case of: (i) any Residual Asset falling within paragraph (b) of the definition of Residual Asset; and (ii) in the case of any Residual Liability which relates to such Residual Asset, the time and date on which such Residual Asset is received, earned or incurred by the Transferor, to the extent that such transfer is possible under this Scheme and the Transferee and the Transferor agree that such transfer should take place;

(e) in the case of any BoE Collateral Asset, the time and date on or after the Effective Date on which the Transferor obtains the legal and beneficial title to such BoE Collateral Asset; and

(f) in respect of any assets and liabilities associated with Sanctioned Accounts, the date on which the Sanctioned Account becomes an Unrestricted Sanctioned Account;

subsidiary has the meaning given in the definition of ***"parent company"***;

SUNs means any applicable Service User Numbers which are used exclusively or predominantly by the Transferor to support the Business;

Tax or ***Taxation*** means all taxes, levies, duties, imposts, charges, national insurance or social security contributions, and withholdings of any nature whatsoever, whether imposed in the United Kingdom or elsewhere, together with all penalties, charges and interest relating to any of them or to any failure to file any return required for the purposes of any of them;

Terminating Payment Scheme Memberships means the Payment Scheme Memberships that give rise to the Transferor's membership of the Faster Payments Service, Bacs, Visa and MasterCard payment schemes but excluding, for the avoidance of doubt, any incentive agreements between the Transferor and Visa or MasterCard;

TFSME means the Term Funding Scheme with additional incentives for small and medium-sized enterprises operated by the BoE;

Trading Assets means, in respect of each Treasury Transaction and, if applicable, each respective Master Agreement, all rights, title, benefits and entitlements of the Transferor to the extent arising from or relating to that transaction including:

(a) all rights to receive payments and deliveries;

(b) all rights in respect of collateral, margin and credit support provided by or to or for the benefit of the Transferor (including pursuant to any credit support annex or credit support deed), together with any associated rights of re-use, rehypothecation, substitution and return;

(c) all rights of set-off, netting, close-out and termination;

(d) all rights under any related guarantee, indemnity or other credit support; and

(e) all causes of action, claims, recoveries and remedies of the Transferor, in each case whether actual or contingent, present or future, and whether or not the relevant Treasury Transaction has a positive mark-to-market value at the time of transfer;

Trading Liabilities means, in respect of each Treasury Transaction and, if applicable, each respective Master Agreement, all obligations and liabilities of the Transferor to the extent arising from or relating to that transaction including:

(a) all obligations to make payments and deliveries;

(b) all obligations to provide, return, transfer or pay interest or amounts on collateral, margin or credit support (including any credit support annex or credit support deed);

(c) all obligations arising on or in connection with set-off, netting, close-out or termination; and

(d) all other liabilities and obligations, whether actual or contingent, present or future, liquidated or unliquidated and whether or not the relevant Treasury Transaction has a negative mark-to-market value at the time of transfer;

transfer includes (without limitation) ***assign*** or ***assignation*** or ***assignment***, ***dispose***, ***disposition*** or ***disposal*** or ***convey*** or ***conveyance*** as the case may be;

Transferee means Santander UK plc;

Transferee Business means all business carried on by the Transferee, excluding the Business;

Transferee Group means the Transferee and its Affiliates from time to time;

Transferor means TSB Bank plc;

Transferor Entity has the meaning given in paragraph 12.1(h);

Transferor Group means the Transferor and its Affiliates from time to time;

Transferring BoE Arrangements means:

(a) the rights, obligations, benefits, burdens, liabilities, title and interest in respect of the BoE Accounts, including any contracts, agreements and ancillary documents entered into by the Transferor relating to the BoE Accounts and entered into in connection with the Payment Schemes;

(b) any balance (positive, negative or zero) on and assets contained in any BoE Account;

in either case, that are specified as 'Transferring Arrangements' in the BoE Side Letter; and

(c) all rights, obligations, benefits, burdens, liabilities, title and interest of the Transferor under or in connection with the BoE Financing, including all outstanding drawings and any related collateral arrangements (including any BoE Collateral Assets);

Transferring SVRs has the meaning given in paragraph 9.13;

Transferring Personal Data has the meaning given in paragraph 18.1(a);

Treasury Transaction means a Derivative Transaction or a Securities Financing Transaction;

UK GDPR has the meaning given to that term in the UK Data Protection Act 2018;

Unrestricted Sanctioned Account means a Sanctioned Account in relation to which: (i) the Transferor has obtained a licence from a Sanctions Authority permitting a transfer as described in this Scheme; or (ii) the Customer is no longer a Sanctioned Person; or (iii) the deposit or payment is no longer otherwise restricted from transferring in accordance with Sanctions Law;

VAT means value added tax as defined in the Value Added Tax Act 1994 (VATA 1994) and any other Tax of a similar nature which is introduced in substitution for or in addition to such Tax; and

Whistletree Claim means any claim or complaint brought by a Customer in relation to a mortgage or unsecured loan which was originally entered into by Northern Rock and which is branded Whistletree.

4. INTERPRETATION

4.1 In this Scheme:

(a) a reference to a clause, paragraph or schedule is, unless stated otherwise, a reference to a clause or paragraph of, or schedule to, this Scheme;

(b) a reference in a schedule to a paragraph is, unless stated otherwise, a reference to a paragraph in that schedule or, where that schedule is split into parts, a reference to a paragraph in that part of that schedule;

(c) a reference to any statute or statutory provision is a reference to that statute or statutory provision as re-enacted, re-numbered, amended or extended before the date of this Scheme and includes reference to any subordinate legislation (as re-enacted, amended or extended) made under it before the date of this Scheme;

(d) references to assets 'held by' or 'belonging to' the Transferor include assets in respect of which the Transferor has any legal, beneficial or other interest or entitlement, whether held in its own name or registered in or held in the name of any predecessor, former name, previous transferor, nominee, trustee or other person acting on its behalf;

(e) a reference to a word in the singular shall include the plural and vice versa;

(f) a reference to a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, association, state, state agency, institution or trust (whether or not having a separate legal personality);

(g) a reference to one gender is a reference to all or any genders;

(h) a reference to a particular time of day is, unless stated otherwise, a reference to that time in London, England;

(i) a reference to a person's "**Group**" is, unless otherwise stated, a reference to that person, its subsidiaries, its parent companies, and any other subsidiaries of its parent companies;

(j) a reference to "**including**" or "**includes**" does not limit the scope of the meaning of the words preceding it; and

(k) the expression "**connected**" with reference to a person or group of persons has the meaning given to it in sections 1122 and 1123 of the Corporation Tax Act 2010.

4.2 The schedules form part of this Scheme and a reference to "**this Scheme**" includes its schedules.

4.3 The headings in this Scheme do not affect its interpretation.

PART C

5. TRANSFER OF BUSINESS

On and with effect from the Effective Date the Business shall, by the Order and without any further act or instrument, be transferred to and vested in the Transferee in accordance with this Scheme.

6. TRANSFER OF ASSETS

6.1 **Business Assets**

Subject to paragraphs 6.2 and 6.3, on and with effect from the Effective Date the Business Assets and all estate and interest of the Transferor in them shall, by the Order and without any further act or instrument, be transferred by the Transferor to and vest in the Transferee subject to all Encumbrances (if any) affecting such Business Assets in accordance with the terms of this Scheme.

6.2 **Residual Assets and assets associated with Sanctioned Accounts**

On and with effect from each Subsequent Transfer Date each Residual Asset and asset associated with a Sanctioned Account to which such Subsequent Transfer Date applies and all estate and interest of the Transferor in it shall, by the Order and without any further act or instrument, be transferred by the Transferor to and vest in the Transferee subject to all Encumbrances (if any) affecting such Residual Asset or Sanctioned Account in accordance with the terms of this Scheme.

6.3 **BoE Collateral Assets**

To the extent that the Transferor does not hold the legal and/or beneficial title to any BoE Collateral Assets on the Effective Date, on and with effect from the Subsequent Transfer Date, each BoE Collateral Asset and all estate and interest of the Transferor in it shall, by the Order and without any further act or instrument, be transferred by the Transferor to and vest in the Transferee subject to all Encumbrances (if any) affecting such BoE Collateral Asset in accordance with the terms of this Scheme.

6.4 **Assets subject to an order**

On and with effect from the Effective Date, any account held by a Customer with the Transferor which is subject to an existing order, including: (1) any account freezing orders issued under the Criminal Finances Act 2017, Chapter 3B, S.303Z3; (2) any restraint orders under section 41 of the Proceeds of Crime Act 2002; or (3) as a result of freezing injunction orders issued by the High Court, shall transfer to the Transferee, upon which any such order as applies to an account subject to the transfer will continue to apply to that account as if the Transferee was the holder of the account at the time the order was made without the Transferee being required to take any further steps to give effect to the relevant order. For the avoidance of doubt, on and with effect from the Effective Date, any reference to the Transferor (however worded and whether express or implied) in an existing order should be read as being a reference to the Transferee.

6.5 **Assets with associated Encumbrances**

Unless otherwise agreed by the Transferor and the Transferee, any Business Asset (including any asset arising under or in relation to a Customer Agreement or a Guarantor Agreement) in respect of which an Encumbrance has been granted by or in favour of the Transferor shall only transfer to the Transferee when the relevant Encumbrance transfers, and any Encumbrance granted by or in favour of the Transferor in respect of any Business Asset shall only transfer to the Transferee when the relevant Business Asset transfers.

6.6 **Title to assets**

Except as otherwise agreed in writing between the Transferor and the Transferee, the Transferee shall accept without investigation or requisition such title to the Business Assets as the Transferor shall have at the Effective Date.

6.7 **Further assurance**

Each of the Transferor and the Transferee shall execute and deliver (or procure the execution and delivery of) such further documents (including assignments or novations, as appropriate) and perform (or procure the performance of) such further acts as may be required by law or as may be necessary or reasonably required by the other party to effect or perfect the transfer to and vesting in the Transferee of the Business Assets in accordance with the terms of this Scheme.

6.8 **Capacity**

The transfers effected pursuant to paragraphs 6.1, 6.2, 6.3, 6.4 and 6.5 above shall take effect notwithstanding any provision to the contrary in any contract or arrangement with any person and whether or not the Transferee and the Transferor have capacity to effect the same.

7. TRANSFER OF LIABILITIES

7.1 **Assumed Liabilities**

Subject to paragraph 7.2, on and with effect from the Effective Date the Assumed Liabilities shall, by the Order and without any further act or instrument, be transferred by the Transferor to the Transferee and become liabilities of the Transferee and shall cease to be liabilities of the Transferor, in accordance with the terms of this Scheme.

7.2 **Residual Liabilities and liabilities associated with Sanctioned Accounts**

On and with effect from each Subsequent Transfer Date, each Residual Liability and liability associated with a Sanctioned Account to which such Subsequent Transfer Date applies shall, by the Order and without any further act or instrument, be transferred by the Transferor to and become a liability of the Transferee and shall cease to be a liability of the Transferor in accordance with the terms of this Scheme.

7.3 **Liabilities with associated Encumbrances**

Unless agreed otherwise by the Transferor and the Transferee, any Assumed Liability (including any Liability arising under or in relation to a Customer Agreement or a Guarantor Agreement) in respect of which an Encumbrance has been granted by the Transferor shall only transfer to the Transferee when the relevant Encumbrance transfers, and any Encumbrance granted by the Transferor in respect of any Assumed Liability shall only transfer to the Transferee when the relevant Assumed Liability transfers.

7.4 **Further assurance**

Each of the Transferor and the Transferee shall execute and deliver (or procure the execution and delivery of) such further documents (including assignments or novations, as appropriate) and perform (or procure the performance of) such further acts as may be required by law or as may be necessary or reasonably required by the other party to effect or perfect the transfer to and vesting in the Transferee of the Assumed Liabilities, the Residual Liabilities and any liabilities associated with a Sanctioned Account in accordance with the terms of this Scheme.

7.5 **Capacity**

The transfers effected pursuant to paragraphs 7.1 and 7.2 above shall take effect notwithstanding any provision to the contrary in any contract or arrangement with any person and whether or not the Transferee and the Transferor have capacity to effect the same.

8. CONTINUITY OF PROCEEDINGS

8.1 On and with effect from the Relevant Date, any Proceedings relating to any part of the Business (including, without limitation, the Business Assets and the Assumed Liabilities but excluding any Proceedings relating to the Excluded Assets or the Excluded Liabilities) which have been issued, served, are pending, current, threatened or which may be brought in the future including those not yet in contemplation, by or on behalf of or against the Transferor, whether known or not to the Transferor or the Transferee, shall be continued or made by or against the Transferee and:

(a) the Transferee shall be entitled to all defences, claims, counterclaims and rights of set-off which would have been available to the Transferor in relation to the relevant part(s) of such Proceedings; and

(b) Customers, Guarantors, Contract Counterparties and any other person in such Proceedings shall be entitled to all defences, claims, counterclaims and rights of set-off against the Transferee which would have been available to them against the Transferor in relation to the relevant part(s) of such Proceedings.

9. SPECIFIC RIGHTS AND OBLIGATIONS IN RELATION TO THE UNDERLYING AGREEMENTS

9.1 **Transfer of the rights and powers of the Transferor**

Without prejudice to the generality of paragraphs 6.1 and 6.2 above, on and with

effect from each Relevant Date, the Transferee shall become entitled to all the assets and property of the Transferor to the extent subsisting on the Relevant Date under or by virtue of the Customer Agreements, the Guarantor Agreements and the Business Contracts.

9.2 **The rights of Customers, Guarantors and Contract Counterparties**

Subject to paragraphs 9.5 to 9.20, every Customer, Guarantor or Contract Counterparty under a Business Contract shall on and with effect from the Relevant Date become entitled, in succession to, and to the exclusion of, any rights which he or she may have had against the Transferor under or relating to such Customer Agreements, Guarantor Agreements or Business Contracts, to the same rights against the Transferee as were available to them against the Transferor as a result of the transfer effected by this Scheme.

9.3 **Transfer of obligations of Customers, Guarantors and Contract Counterparties**

Subject to paragraphs 9.5 to 9.20, every person who immediately prior to the Relevant Date is a Customer, a Guarantor or Contract Counterparty under a Business Contract shall, from and after the Relevant Date, in substitution for any liability that person has to the Transferor under or relating to a Customer Agreement, Guarantor Agreement or Business Contract, be under the same liability to the Transferee.

9.4 **Transfer of obligations of Transferor**

Without prejudice to the generality of paragraphs 7.1 and 7.2 but subject to paragraphs 9.5 to 9.20, on and with effect from the Relevant Date, the liability of the Transferor to any person who is a Customer under a Customer Agreement, a Guarantor under a Guarantor Agreement or a Contract Counterparty under a Business Contract shall, from and after the Relevant Date, be transferred by the Transferor to the Transferee by the Order without any further act or instrument and become the liability of the Transferee. The Transferor shall be released from any such liability to such Customer, Guarantor or Contract Counterparty.

9.5 **Set Off Rights**

(a) On and with effect from the Relevant Date, the Transferee shall not be entitled to apply any Set Off Rights which might otherwise be exercisable by the Transferee by virtue of this Scheme to reduce or discharge any liability arising from time to time:

(i) under any Existing Transferee Agreement using credit balances held pursuant to any Customer Agreement, or amounts due to it under any Guarantor Agreement or Business Contract; or

(ii) under or relating to any Customer Agreement, Guarantor Agreement or Business Contract using credit balances held or amounts due to it pursuant to any Existing Transferee Agreement.

(b) The restrictions set out in paragraph 9.5(a) shall cease to apply in relation to credit balances held or amounts due to the Transferee pursuant to any

Existing Transferee Agreement or any Customer Agreement, Guarantor Agreement or Business Contract as follows:

(i) where the credit balance under a Customer Agreement or Existing Transferee Customer Agreement is at the Relevant Date held for a fixed term, on the date that falls 12 months after the expiry of that term;

(ii) where the credit balance is at the Relevant Date held on terms that a promotional rate of interest will be lost if the deposit is withdrawn before the end of a certain period, on the date that falls 12 months after the expiry of that period; and

(iii) in all other cases, on the date that falls 12 months after the Relevant Date.

9.6 **All Monies Rights**

On and with effect from the Relevant Date, the Transferee shall not be entitled to apply any All Monies Rights which might otherwise be exercisable by the Transferee by virtue of this Scheme under:

(a) any Existing Transferee Agreement, to secure or recover any liability arising from time to time under any Customer Agreement, Guarantor Agreement or Business Contract; or

(b) any Customer Agreement, Guarantor Agreement or Business Contract to secure or recover any liability arising from time to time under any Existing Transferee Agreement.

9.7 **Consolidation Rights**

On and with effect from the Relevant Date, the Transferee shall not be entitled to apply any Consolidation Rights which might otherwise be exercisable by the Transferee by virtue of this Scheme to prevent the release of any Security Interest given in relation to:

(a) any Existing Transferee Agreement, until any obligations have been satisfied under or relating to any Customer Agreement or Guarantor Agreement, or

(b) any Customer Agreement or Guarantor Agreement, until any obligations have been satisfied under or relating to any Existing Transferee Agreement.

9.8 **Cross Default Rights**

On and with effect from the Relevant Date, the Transferee shall not be entitled to apply any Cross Default Rights which might otherwise be exercisable by the Transferee by virtue of this Scheme to terminate, accelerate or alter any rights or obligations:

(a) under or relating to any Existing Transferee Agreement, as a result of the breach of, or default under, any Customer Agreement, Guarantor Agreement or Business Contract; or

(b) under or relating to any Customer Agreement, Guarantor Agreement or Business Contract as a result of the breach of, or default under, any Existing Transferee Agreement.

9.9 **Guarantees and indemnities**

On and with effect from the Relevant Date, the Transferee shall not be entitled to exercise any rights under a guarantee, indemnity, undertaking or commitment, under or relating to:

(a) any Existing Transferee Agreement, to secure the obligations of, or to recover amounts due from, a Customer, a Guarantor or Contract Counterparty under or in relation to any Customer Agreement, Guarantor Agreement or Business Contract; or

(b) any Customer Agreement, Guarantor Agreement or Business Contract, to secure the obligations of, or to recover amounts due from, a Customer, a Guarantor or a Contract Counterparty under or in relation to any Existing Transferee Agreement.

9.10 **Pricing and volume commitments**

On and with effect from the Relevant Date, where the Transferor provides services to, or receives services from, a Contract Counterparty pursuant to a Business Contract and the Transferee provides the same or substantially similar services to, or receives the same or similar services from, the same Contract Counterparty pursuant to a separate Existing Transferee Business Contract and unless the parties to the Business Contract and/or the Existing Transferee Business Contract have explicitly agreed prior to the Relevant Date that the provisions shall apply to both such contracts:

(a) pricing provisions, volume thresholds or commitments or similar provisions in the Business Contract will continue to apply to the services supplied or received in respect of the Business only; and

(b) pricing provisions, volume thresholds or commitments or similar provisions in the Transferee's equivalent Existing Transferee Business Contract will continue to apply to those services supplied or received in respect of the Transferee Business only.

For the avoidance of doubt, the transfer will not trigger any volume discounts or similar pricing provisions in Business Contracts or Existing Transferee Business Contracts which exist at the Relevant Date.

9.11 **Entire Agreement Clauses**

(a) Where a Customer Agreement, Guarantor Agreement or Business Contract contains an Entire Agreement Clause, on and with effect from the Relevant Date, the relevant clause shall be read and construed as if it referred only to products or services comprised in the Business, and shall not apply to, and the Customer Agreement, Guarantor Agreement or Business Contract shall not supersede, any Existing Transferee Agreements; and

(b) Where an Existing Transferee Agreement contains an Entire Agreement Clause, on and with effect from the Relevant Date, the relevant clause shall be read and construed as if it referred only to products or services of the Transferee not comprised in the Business, and shall not apply to, and the Existing Transferee Agreement shall not supersede, any Customer Agreements, Guarantor Agreements or Business Contracts,

unless, in either case, the parties have explicitly agreed otherwise.

9.12 **Exclusivity arrangements**

Notwithstanding any other provision of this Scheme, where a Business Contract or Existing Transferee Business Contract contains a provision which has the effect of requiring the Transferor or the Transferee to obtain goods and/or services for the Business or the Transferee Business from, or provide services to, the Contract Counterparty either:

(a) on an exclusive basis from or to the Contract Counterparty; or

(b) subject to minimum volume commitments, volume pricing and rebate thresholds, 'take or pay' obligations or similar,

on and with effect from the Relevant Date, the relevant provision shall be read and construed as if it referred only to obtaining goods and/or services for, or providing services from, the Business or the Transferee Business (as appropriate) and shall not apply to obtaining goods and/or services for, or providing services from, any other part of the Transferee Group.

9.13 **Standard Variable Rates and standard exchange rates**

(a) Any reference in any Customer Agreement or otherwise in relation to the Business to:

(i) the 'Homeowner Variable Rate';

(ii) the 'Buy-To-Let Variable Rate';

(iii) the 'Standard Variable Mortgage Rate';

(iv) the 'Whistletree Loyalty Rate';

(v) the 'Whistletree Standard Variable Rate';

(vi) the 'C&G Guardian Variable Rate';

(vii) 'our standard rate', 'the standard variable rate', 'the TSB variable rate'; or any similar rate set by the Transferor prior to the Effective Date,

(collectively, the ***Transferring SVRs***),

shall be construed as a continuing reference to the relevant Transferring SVR with the same name, as published and set by the Transferee following the Relevant Date and not to any equivalent or similar standard variable rate of the Transferee.

(b) Any reference in any Customer Agreement or otherwise in relation to the Business to “our standard exchange rate” or “TSB’s standard exchange rate” or similar shall, from the Relevant Date, be construed as the "TSB standard exchange rate", as published and set by the Transferee following the Relevant Date, and not to any equivalent standard exchange rate of the Transferee.

9.14 **Maximum Lending / Deposits**

Where, immediately before the Relevant Date, a contractual provision in a Customer Agreement imposes a cap or maximum amount of borrowing or deposits a Customer is permitted in aggregate across two or more facilities or accounts that the Customer has with the Transferor, such provision shall, on and with effect from the Relevant Date, be deemed deleted and of no further effect.

9.15 **Application of default charges**

Where, immediately before the Relevant Date, a Customer Agreement allows the Transferor to recover from the Customer any losses or reasonable costs incurred by the Transferor as a result of the Customer breaching the Customer Agreement by debiting or charging such amounts to a current account held by the Customer with the Transferor, such provision shall, on and after the Relevant Date, be construed as allowing the Transferee to debit or charge such amounts to any current accounts within the Business only. For the avoidance of doubt, the Transferee shall not debit or charge such amounts to current accounts held pursuant to any Existing Transferee Customer Agreement.

9.16 **Appropriation of payments**

Where, immediately before the Relevant Date, a Customer Agreement allows the Transferor to apportion repayments across one or more credit agreements at the Transferor’s discretion, such clause should be construed as allowing the Transferee to apportion payments across credit agreements which are within the Business only.

9.17 **References to the Transferor's branches**

Any reference in a Customer Agreement or Business Contract to the Transferor’s branches, including ‘our branches’, ‘TSB branches’ or similar shall continue to be construed as references to those branches included in the Business unless and until the Transferee explicitly notifies otherwise.

9.18 **SEPA Direct Debits**

Any reference in a Customer Agreement or Business Contract to 'SEPA Direct Debit' or any similar reference to a Single Euro Payments Area direct debit scheme or mandate shall, on and with effect from the Effective Date, be deemed deleted and of no further effect, and no Customer, Contract Counterparty or the Transferee shall have any rights or obligations under a Customer Agreement by reference to such scheme or mandate from the Effective Date.

9.19 **Other rights for the Transferee**

On and with effect from the Relevant Date, the Transferee shall not be entitled to

apply any other right, benefit or power which might otherwise be exercisable by the Transferee by virtue of this Scheme under or in relation to any:

(a) Existing Transferee Customer Agreement or Existing Transferee Guarantor Agreement to reduce, alter, discharge or otherwise secure any liability arising from time to time under or relating to any Customer Agreement or Guarantor Agreement;

(b) Customer Agreement or Guarantor Agreement to reduce, alter, discharge or otherwise secure any liability arising from time to time under any Existing Transferee Customer Agreement or Existing Transferee Guarantor Agreement;

(c) Existing Transferee Customer Agreement to restrict the way in which a Customer can deal with deposit or credit balances under or relating to any Customer Agreement; or

(d) Customer Agreement to restrict the way in which a Customer can deal with deposit or credit balances under or relating to any Existing Transferee Customer Agreement.

9.20 **Savings to rights**

(a) Subject to paragraph 9.20(b) below, the provisions of paragraphs 9.5 to 9.19 shall not apply to diminish any right, benefit or power which the Transferee, a Customer or a Guarantor may acquire (or may have acquired) other than as a result of the Scheme, including as a result of the variation on or after the Relevant Date of a Customer Agreement, a Guarantor Agreement, an Existing Transferee Agreement or a New Transferee Agreement.

(b) The Transferee will not vary a Customer Agreement or an Existing Transferee Agreement with a Customer without the consent of the Customer in a manner which is inconsistent with paragraphs 9.5 to 9.9, 9.11, 9.15, 9.16 and 9.19 above.

10. COVERED BOND PROGRAMME, DUNCAN TRANSACTIONS, EMTN PROGRAMME AND THE SRT TRANSACTION

10.1 **Covered Bond Programme**

Without prejudice to the generality of paragraphs 6 and 7 above, on and with effect from the Relevant Date:

(a) all rights, obligations, benefits, burdens, liabilities, title and interest of the Transferor as issuer and principal debtor under or pursuant to the Covered Bond Trust Deed constituting the covered bonds issued thereunder shall, without any further act or instrument, be transferred to and assumed by the Transferee, including, but without limitation, the obligations of the Transferor to pay (i) all interest (if any) accrued but unpaid on those covered bonds; and (ii) all other moneys (if any) payable under or pursuant to those covered bonds and the Covered Bond Trust Deed;

(b) the Transferee shall be deemed to be named in place of the Transferor in all Covered Bond Transaction Documents and, in each and every capacity in which the Transferor acts under that documentation (including as issuer, seller, servicer, cash manager, cover pool swap provider, as a member of the Covered Bonds LLP and TSB Covered Bonds (LM) Limited), and the Transferee shall assume and (where applicable) perform all rights, obligations, benefits, burdens, liabilities, title and interest of the Transferor under that documentation and shall be bound by its terms as if the Transferee had at all times been a party to that documentation in the relevant capacity of the Transferor;

(c) the guarantee given by the Covered Bonds LLP under the Covered Bond Trust Deed in respect of the Transferor's obligations in relation to covered bonds issued under the Covered Bond Programme shall continue in full force and effect in respect of those obligations as assumed by the Transferee, and nothing in this Scheme shall discharge, release or otherwise affect that guarantee; and

(d) the obligations of the Transferor relating to the listing and clearing of the covered bonds issued under the Covered Bond Programme shall be assumed by the Transferee, and each party to Covered Bond Transaction Documents shall look to the Transferee (and not the Transferor) in respect of all matters arising under or in connection with the Covered Bond Programme.

10.2 **EMTN Programme**

Without prejudice to the generality of paragraphs 6 and 7 above, on and with effect from the Relevant Date:

(a) all rights, obligations, benefits, burdens, liabilities, title and interest of the Transferor as issuer and principal debtor under or pursuant to each EMTN Trust Deed constituting the notes issued thereunder shall, without any further act or instrument, be transferred to and assumed by the Transferee, including, without limitation, the obligations of the Transferor to pay: (i) all interest (if any) accrued (but unpaid) on those notes; and (ii) all other moneys (if any) payable under or pursuant to those notes or each EMTN Trust Deed;

(b) the Transferee shall be deemed to be named in place of the Transferor in all documentation relating to the EMTN Programme, and, in each and every capacity in which the Transferor acts under that documentation (including as issuer), and the Transferee shall assume and (where applicable) perform all rights, obligations, benefits, burdens, liabilities, title and interest of the Transferor under that documentation and shall be bound by its terms as if the Transferee had at all times been a party to that documentation in the capacity of the Transferor; and

(c) the note trustee and each other party to the documentation relating to the EMTN Programme shall look to the Transferee (and not the Transferor) in respect of all matters arising under or in connection with the EMTN Programme.

10.3 **Duncan Transactions**

Without prejudice to the generality of paragraphs 6 and 7 above, on and with effect from the Relevant Date:

(a) all rights, obligations, benefits, burdens, liabilities, title and interest of the Transferor under or pursuant to each Duncan Transaction and the related Duncan Transaction Documents, in each and every capacity in which the Transferor acts under those transaction documents (including as seller and originator, servicer, cash manager, start-up loan provider, collection account bank, dematerialised note registrar, interest rate swap provider (where relevant) and subordinated noteholder), shall, without any further act or instrument, be transferred to and assumed by the Transferee, and the Transferee shall be deemed to be named in place of the Transferor in all such transaction documents and shall assume and (where applicable) perform all such rights, obligations, benefits, burdens, liabilities, title and interest as if it had at all times been a party to those transaction documents in the relevant capacity of the Transferor;

(b) without prejudice to the generality of paragraph 10.3(a) above, and for the purpose of ensuring that the requirement to retain a material net economic interest in respect of each Duncan Transaction continues to be satisfied on and after the Relevant Date, the Transferee shall succeed to and assume, as originator and retention holder, all right, title, interest, benefit and obligations of the Transferor in and to the subordinated note issued by each of Duncan Funding 2022-1 plc and Duncan Funding 2024-1 plc and held by the Transferor (being the first-loss tranche by which the Transferor retains its material net economic interest in the relevant Duncan Transaction), such that the Transferee holds each such subordinated note as retention holder in respect of the relevant Duncan Transaction; and

(c) each party to the transaction documents relating to a Duncan Transaction shall look to the Transferee (and not the Transferor) in respect of all matters arising under or in connection with that Duncan Transaction.

10.4 **SRT Transaction**

Without prejudice to the generality of paragraphs 6 and 7 above, on and with effect from the Relevant Date:

(a) all rights, obligations, benefits, burdens, liabilities, title and interest of the Transferor under or pursuant to the SRT Transaction and the transaction documents relating to it, in each and every capacity in which the Transferor acts under those transaction documents (including as issuer of the credit-linked notes and as calculation agent), shall, without any further act or instrument, be transferred to and assumed by the Transferee, and the Transferee shall be deemed to be named in place of the Transferor in all such transaction documents and shall assume and (where applicable) perform all such rights, obligations, benefits, burdens, liabilities, title and interest (including, as issuer, all obligations owed to the holders of the credit-linked notes) as if it had at all times been a party to those transaction documents in the relevant capacity of the Transferor;

(b) without prejudice to the generality of paragraph 10.4(a) above, and for the purpose of ensuring that the requirement to retain a material net economic interest in respect of the SRT Transaction continues to be satisfied on and after the Relevant Date, the Transferee shall succeed to and assume, as originator and retention holder, the material net economic interest retained by the Transferor in respect of the SRT Transaction; and

(c) each party to the transaction documents relating to the SRT Transaction shall look to the Transferee (and not the Transferor) in respect of all matters arising under or in connection with the SRT Transaction.

10.5 **Retained notes and other interests**

For the avoidance of doubt, this paragraph 10 is without prejudice to the transfer to the Transferee, as Business Assets in accordance with paragraph 6 above, of: (a) any notes retained or held by, or any other interest of, the Transferor in the covered bonds, the notes issued under the EMTN Programme or any Duncan Transaction; (b) the Transferor's membership interest in the Covered Bonds LLP; and (c) the Transferor's shares in TSB Covered Bonds (LM) Limited.

10.6 **Release of the Transferor**

The Transferor shall be released from the obligations referred to in this paragraph 10 to the same extent as, and with effect from the time at which, the Transferee assumes them.

11. FINANCIAL SERVICES COMPENSATION SCHEME

11.1 Subject to paragraphs 11.2 and 11.4, where, immediately following the Relevant Date, a Qualifying Deposit Customer has (or would, but for the exercise of their rights pursuant to this paragraph 11.1, have) Qualifying Deposits, the Transferee (or, as applicable the Transferor) shall permit, for a period starting from the FSCS Notice Commencement Date until the FSCS Notice End Date (and subject to any restrictions in the ISA Regulations), the Qualifying Deposit Customer to withdraw or transfer from any account with it all, or any part, of the Excess Deposits free from any penalty, fee, notice or charge (including loss of accrued interest and other benefits) which may have otherwise applied to the withdrawal or transfer of such relevant Qualifying Deposits (or any part of them).

11.2 During the period starting from the FSCS Notice Commencement Date and ending on the FSCS Notice End Date, the Transferee and/or the Transferor shall not be required to permit a Qualifying Deposit Customer to make a withdrawal or transfer from a fixed rate account or limited access account free from any penalty, fee, notice or charge, as referred to in paragraph 11.1, unless the relevant Customer has first contacted the Transferee or the Transferor to request the withdrawal or transfer.

11.3 For the avoidance of doubt, nothing in this Scheme prevents any Qualifying Deposit Customer from making withdrawals or transfers from Qualifying Deposits as permitted by the terms and conditions of the relevant product(s) which they have with the Transferor or the Transferee.

11.4 Notwithstanding anything else in this paragraph 11, neither the Transferor nor the Transferee is obliged to permit a Qualifying Deposit Customer to withdraw Eligible

Deposits for the purposes of staying within the FSCS Limit (in accordance with paragraph 11.1) where such withdrawal would breach applicable Sanctions Law, financial crime requirements or any freezing orders or court orders in place in relation to the Eligible Deposits.

12. ADDITIONAL PROVISIONS IN RELATION TO THE EFFECT OF THE TRANSFER

12.1 Provisions in relation to the Business

Without prejudice to the generality of the foregoing provisions, the following provisions shall have effect in relation to the Business, or any part thereof:

(a) every contract comprised in the Business (whether in writing or not and including, for the avoidance of doubt, the Customer Agreements and Guarantor Agreements) shall have effect on and from the Relevant Date as if:

(i) the contract had been made with the Transferee instead of the Transferor;

(ii) the rights and obligations of the Transferor in respect of any such contract are extinguished;

(iii) any reference (however worded and whether express or implied) to the Transferor were, in respect of anything falling to be done on or after the Relevant Date, a reference to the Transferee;

(iv) any reference (however worded and whether express or implied) to the directors or to any director, officer, representative, agent or employee of the Transferor were, in respect of anything falling to be done on or after the Relevant Date, a reference to the directors of the Transferee or, as the case may require, to such director, officer, representative, agent or employee of the Transferee as the Transferee may appoint for that purpose or, in default of appointment, to the director, officer, representative, agent or employee of the Transferee who corresponds as nearly as may be to the first-mentioned director, officer, representative, agent or employee;

(v) any reference (however worded and whether express or implied) to the Transferor Group (or to any member or members, whether individually or collectively, of the Transferor Group) were, in respect of anything after the Relevant Date, a reference to the Transferee Group or any member or members thereof (as applicable);

(vi) any reference (however worded and whether express or implied) to the Transferor's company registration details, legal entity identifier (or similar identification code), Financial Services Register number, VAT number and contact details were a reference to the Transferee's company registration details, legal entity identifier (or similar identification code), Financial Services Register number, VAT number and contact details or such contact details as the Transferee shall specify, and shall take effect as such;

(vii) any reference to the account details of the Transferor in respect of a Business Asset were a reference to such account details as the Transferee shall specify;

(viii) the Transferor's address and contact details for notices to be given to the Transferor or to notices being given to the Transferor at the Transferor's registered address in Edinburgh, United Kingdom, were a reference to the Transferee's registered address, and shall take effect as such; and

(ix) any reference (however worded and whether express or implied) to the Transferor as the ISA Manager were a reference to the Transferee as the ISA Manager;

(b) any reference in contracts or arrangements which do not form part of the Business but which refer to the Transferor or the Transferor Group (including those to which the Transferor is not a party, such as references in insurance policies and power of attorney appointments but excluding contracts and arrangements relating to any Excluded Asset), shall be read as references to the Transferee or the Transferee Group as appropriate;

(c) any reference to a rate, charge, tariff or scale of fees or to terms or conditions published in any current document or instrument, determined, ascertained, varied or amended from time to time by the Transferor shall afford to the Transferee the same right under such contract, other document or instrument as the Transferor had to publish, determine, ascertain, vary or amend such rates, charges, tariffs, scales of fees, terms or conditions;

(d) any erroneous references to the Transferor in communications sent to Customers, Guarantors or Contract Counterparties after the Relevant Date in relation to the Business shall be read as references to the Transferee;

(e) any account between the Transferor and a Customer or any other person in respect of the Business shall, at and with effect from the Relevant Date, become an account between the Transferee and that Customer or person and subject to the same terms and conditions and Encumbrances, and:

(i) such account shall be deemed for all purposes to be a single continuing account; and

(ii) any Encumbrances over such account immediately prior to the Relevant Date will continue to be an Encumbrance over the account on and after the Relevant Date, including where the account is re-designated or re-referenced, without the giving of any notice or the taking of any other steps;

(f) any existing direct debit instruction, standing order, direction, mandate, power of attorney, authority, undertaking, consent, notice or declaration given to or by the Transferor or any third party in respect of the Business (whether in writing or not and whether or not in relation to an account) shall have effect, on and from the Relevant Date, as if given to or, as the case may be, by the Transferee or any third party in respect of the Business;

(g) in respect of the Business any negotiable instrument or order for payment of money drawn on or by, or given to, or accepted or endorsed by, the Transferor, or payable at any place of business of the Transferor, whether so drawn, given, accepted, endorsed or payable before, on or after the Relevant Date, shall have the same effect on and from the Relevant Date, as if it had been drawn on or by, or given to, or accepted or endorsed by the Transferee or, as the case may be, as if the place of business at which it is payable were a place of business of the Transferee;

(h) any Encumbrance attributable to the Business held immediately before the Relevant Date by the Transferor, or by a nominee or agent of or trustee for the Transferor (each a ***Transferor Entity***), as security for the payment or discharge of any liability to which the Encumbrance relates shall, on and from that day, be held by the Transferee, or, as the case may require, by that nominee, agent or trustee for the Transferee, with the same rights, ranking, priorities, obligations and incidents to which the Transferor Entity was entitled and to which it was subject immediately prior to that date and be available to the Transferee (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of liabilities to which the Encumbrance relates, whether: (i) incurred before the Relevant Date; or (ii) arising on or after the Relevant Date;

(i) where by virtue of this Scheme any assets and property, or liability, of the Transferor become assets and property, or a liability, of the Transferee, the Transferee shall, at and from the Relevant Date, have the same rights, powers and remedies (and in particular the same rights and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing such assets and property, or liability, as if it had at all times been assets and property, or a liability, of the Transferee; and

(j) any judgment or award obtained by or against the Transferor in respect of the Business and not fully satisfied before the Relevant Date shall at that time, to the extent to which it was enforceable by or against the Transferor immediately prior thereto, become enforceable by or against the Transferee (to the exclusion of the Transferor).

12.2 **Consequences of vesting**

The transfer and vesting of any Business Asset or Assumed Liability shall not:

(a) invalidate or discharge any contract, security or other thing; or

(b) require further registration or amendment of any existing registration in respect of any Security Interest or other instrument (including instruments creating or acknowledging Indebtedness) registered in the United Kingdom; or

(c) constitute a breach of, or default, event of default, potential event of default, termination event, mandatory prepayment event, enforcement event, perfection event or other similar event or condition (howsoever described) under any contract, agreement, bond, instrument, trust deed, indenture, guarantee, indemnity, mortgage, charge, pledge or other security

document to which the Transferor or the Transferee or any member of the Transferee Group is a party or is bound; or

(d) entitle any party to a contract, agreement, bond, instrument, trust deed, indenture, guarantee, indemnity, mortgage, charge, pledge or other security document to which the Transferor, the Transferee or any member of the Transferee Group is a party or is bound to terminate, accelerate the payment or performance of any debt or other obligation or enforce any Security Interest under that contract, agreement, bond, instrument, trust deed, indenture, guarantee, indemnity, mortgage, charge, pledge or other security document when that party would not otherwise have been able to terminate, accelerate or enforce it or to treat any interest or right under that contract as terminated, accelerated, modified or enforceable; or

(e) require either the Transferor or the Transferee to undertake any action or impose any restriction on the Transferee's ability to exercise the rights of the Transferor, notwithstanding any term in a Customer Agreement, Guarantor Agreement or Business Contract requiring the Transferee to exercise rights in accordance with pre-agreed policies and procedures; or

(f) entitle any party to any contract to which the Transferor or the Transferee is a party to modify the terms of that contract when that party would not otherwise have been able to modify those terms or confer a right, interest or benefit on it which it would not otherwise have had; or

(g) save as otherwise provided herein, confer any greater or lesser rights, interests or benefits, or impose any greater or lesser obligations, on any party to any contract to which the Transferor is a party when that greater or lesser obligation would not otherwise have been imposed; or

(h) affect the enforceability, priority or ranking of any security; or

(i) enable any person to bring a claim, whether in contract, tort, equity or otherwise in relation to such Business Asset or Assumed Liability which it would not otherwise be able to bring other than as a result of the Scheme; or

(j) result in any requirement for the Transferee to post collateral, take any credit-mitigating steps, or any analogous obligation or consequence which may otherwise be required in respect of the SRT Transaction following a credit rating downgrade.

12.3 **Consequences of Transferor ceasing business**

The cessation by the Transferor of carrying on all or substantially all of its business (and the disposal by the Transferor of substantially all of its assets or undertakings as a consequence of this Scheme) shall not constitute a breach of, or a default, event of default, potential event of default, termination event, mandatory prepayment event, enforcement event or other similar event or condition (howsoever described) under, or entitle any person to terminate or accelerate any contract, agreement, bond, instrument, trust deed, indenture, guarantee, indemnity, mortgage, charge, pledge or other security document to which the Transferor or the Transferee or any member of the Transferee Group is a party or is bound.

12.4 **Provisions in relation to offers etc. prior to the Relevant Date**

Without prejudice to the generality of paragraph 12.1, on and with effect from the Relevant Date:

(a) any offer or invitation to treat made to or by the Transferor prior to the Relevant Date in respect of the Pipeline Business shall be construed and have effect as an offer or invitation to treat made to or by the Transferee;

(b) if a person executes an agreement, undertaking, guarantee, indemnity, Security Interest or other document as a result of any offer or invitation to treat referred to in paragraph 12.4(a) which would, when completed, on its face be an agreement with or undertaking, guarantee, indemnity, Security Interest or document in favour of the Transferor such agreement, undertaking, deed, guarantee, indemnity, Security Interest or other document shall operate as if with or in favour of the Transferee; and

(c) paragraphs 12.1(a)(ii)-(v) shall apply, as appropriate, in relation to any references to the Transferor, any director, officer or employee of the Transferor or the Transferor Group (or to any member or members, whether individually or collectively, of the Transferor Group) in or relating to such offer, invitation to treat, agreement, undertaking, deed, guarantee, indemnity, Security Interest or other document and any further document relating thereto.

13. PAYMENT SCHEME MEMBERSHIPS

13.1 Terminating Payment Scheme Memberships shall be transferred to the Transferee and subsequently cancelled, withdrawn or otherwise terminated on and with effect from the Effective Date.

13.2 Each of the Transferor and the Transferee shall execute and deliver (or procure the execution and delivery of) such further documents and perform (or procure the performance of) such further acts as may be required under the terms of the agreements relating to the Terminating Payment Scheme Memberships or as may be necessary or reasonably required by the relevant Terminating Payment Scheme Membership to effect or perfect the cancellation, withdrawal or termination in accordance with paragraph 13.1 of this Scheme.

14. ENFORCEMENT

14.1 Every Customer and Contract Counterparty shall, on and with effect from the Effective Date, become entitled to enforce the provisions of paragraphs 9.2 to 9.20 against the Transferee.

14.2 Every Customer shall, on and with effect from the FSCS Notice Commencement Date, be entitled to enforce the provisions of paragraphs 11.1 and 11.2 against the Transferee (or, until the Relevant Date, the Transferor, as the case may be).

14.3 Every Guarantor and counterparty to an Existing Transferee Guarantor Agreement shall, on and with effect from the Effective Date, become entitled to enforce the provisions of paragraphs 9.2 to 9.9, 9.11, 9.19 and 9.20 above against the Transferee.

15. INDEMNITY IN FAVOUR OF THE TRANSFEROR

The Transferee shall from the Effective Date indemnify the Transferor against any and all Residual Liabilities and any and all Losses suffered or incurred by it as a result of any failure to discharge such Residual Liabilities.

16. DECLARATION OF TRUST

16.1 Trust for the benefit of the Transferee

If any assets and property of the Business are not, or are not capable of being, transferred to and vested in the Transferee by the Order on the Effective Date for whatever reason, the Transferor shall, from the Effective Date, hold such assets and property on trust absolutely for the Transferee, except to the extent that giving effect to such trust would in itself constitute the transfer of a Residual Asset, an asset associated with a Sanctioned Account or a BoE Collateral Asset, prior to the relevant conditions for transfer of such assets having been satisfied.

16.2 Authority in relation to the assets and property held on trust

On and from the Effective Date, the Transferor shall be subject, in respect of any assets and property referred to in paragraph 16.1, to the directions of the Transferee until:

(a) the relevant assets and property are transferred to or otherwise vested in the Transferee; or

(b) the relevant assets and property are disposed of (whereupon the Transferor shall account to the Transferee for the proceeds of sale thereof).

The Transferee shall have authority to act as the attorney of the Transferor in respect of such assets and property for all such purposes.

16.3 Other assets and property held on trust for the Transferee

On and from the Effective Date, the Transferor shall hold all assets and property which is or comes into its possession which relates to or is derived from the Business or any Business Asset or any Residual Asset on trust for the Transferee and as directed by the Transferee and these assets and property shall be treated as Business Assets until the relevant assets or property are transferred to or otherwise vested in the Transferee or, as directed by the Transferee, are disposed of by the Transferor (whereupon the Transferor shall account to the Transferee for the proceeds of the sale thereof).

17. EVIDENCE: BOOKS AND DOCUMENTS

17.1 All books and other documents which would, before the Effective Date, have been evidence in respect of any matter for or against the Transferor at the Effective Date, shall be admissible in evidence in respect of the same matter for or against the Transferee after the Effective Date. In this paragraph, “documents” has the same meaning as in section 13 of the Civil Evidence Act 1995.

17.2 On and from the Effective Date the Bankers’ Books Evidence Act 1879 shall apply to any books of the Transferor transferred to, and vested in, the Transferee by

virtue of this Scheme, and to entries made in those books before the Effective Date, as if such books were the books of the Transferee.

17.3 For the purposes of section 4 of the Bankers' Books Evidence Act 1879, books so transferred to, and vested in, the Transferee shall be deemed to have been the ordinary books of the Transferee at the time of the making of any entry therein which purports to have been made before the Effective Date, and any such entry shall be deemed to have been made in the usual and ordinary course of business.

17.4 Notwithstanding the provisions of this paragraph 17, the Transferor shall, so far as necessary in connection with the Residual Assets, assets associated with Sanctioned Accounts, BoE Collateral Assets, Residual Liabilities and liabilities associated with a Sanctioned Account, prior to the Subsequent Transfer Date be able to rely on the provisions of the Bankers' Books Evidence Act 1879 in relation to the books transferred pursuant to this Scheme and entries made in these books before the Effective Date (or Subsequent Transfer Date as the case may be) as if such books had continued to be the ordinary books of the Transferor and as if any such entries had been made in the usual and ordinary course of business.

17.5 In this paragraph 17, "books" shall be construed in accordance with section 9(2) of the Bankers' Books Evidence Act 1879.

18. DATA PROTECTION

18.1 In this paragraph, terms shall be construed in accordance with the definitions in the Data Protection Laws. With effect from the Relevant Date:

(a) in respect of all Customer Data comprised in the Business in respect of which the Transferor was the controller immediately before the Relevant Date (the "***Transferring Personal Data"***), the Transferee shall become the controller;

(b) any information made available to, or consent obtained or request or other notice received from, any Data Subject by or on behalf of the Transferor in respect of the Transferring Personal Data will be deemed to have been made available, obtained or received by the Transferee, to the extent compliant with the Data Protection Laws; and

(c) any reference to the Transferor in any such information, consent (including any Marketing Consent), request or other notice will be deemed to include a reference to the Transferee and any reference to the Transferor Group will be deemed to include a reference to the Transferee Group.

18.2 Where a Customer has made a Subject Access Request to the Transferor before the Relevant Date and the Transferor has not responded with a copy of the Personal Data controlled by it in accordance with the Data Protection Laws before the Relevant Date, the Transferee shall respond to the request, in accordance with Data Protection Laws, by providing copies of the Personal Data held by the Transferor immediately before the Relevant Date.

18.3 Where a Data Subject has made a Subject Access Request to the Transferee before the Relevant Date and the Transferee has not responded with a copy of the Personal Data held by it in accordance with Data Protection Laws before the

Relevant Date, the Transferee may exclude Personal Data transferred as a consequence of the Scheme from its response thereafter.

19. MARKETING PREFERENCES

19.1 Subject to paragraph 19.2, on and with effect from the Relevant Date:

(a) the Transferee shall have the benefit and obligations in respect of any Marketing Preferences provided to the Transferor; and

(b) the Transferor shall cease to have the benefit of such Marketing Preferences.

19.2 Where, at the Relevant Date, both the Transferor and the Transferee hold conflicting Marketing Preferences in respect of the same Data Subject:

(a) until the Customer Agreement has been migrated to the Transferee's systems:

(i) the Marketing Preference given to the Transferor shall continue to apply in relation to the Business; and

(ii) the Marketing Preference given to the Transferee shall continue to apply in relation to the Transferee Business; and

(b) from the time when the Customer Agreement has been migrated to the Transferee's systems:

(i) if a Customer has given a Marketing Consent to the Transferor but has given a Marketing Opt-out to the Transferee, the Marketing Preference held by the Transferee will apply from the migration date; and

(ii) if a Customer has given a Marketing Opt-out to the Transferor, that Marketing Preference will apply from the migration date, even if the same Customer has given a Marketing Consent to the Transferee.

PART D

MISCELLANEOUS PROVISIONS

20. EFFECTIVE DATE

20.1 This Scheme shall not become effective at the Effective Date unless the Court has made an Order under section 111 of FSMA sanctioning this Scheme on or before the Effective Date.

20.2 Subject to paragraphs 20.1 and 20.3, this Scheme shall become effective at 00:00:01 (UK time) on 22 March 2027 in accordance with the Order sanctioning this Scheme, or any such later date, if any, as the Transferor and Transferee may agree and as the Court may allow.

20.3 This Scheme shall lapse if it does not become effective on or before the later of:

(a) 30 September 2027 (or such other date as the Transferor and Transferee may agree in writing); and

(b) such time and/or date as the Court may allow on the application of the Transferor and the Transferee.

21. MODIFICATION OF THIS SCHEME

21.1 The Transferor and the Transferee may at any time prior to the sanction of this Scheme by the Court consent, for and on behalf of the persons bound hereby and all other persons concerned, other than the PRA and FCA, to any modification of, or addition to, this Scheme or to any further condition or provision affecting the same which the Court may approve or impose.

21.2 At any time after the sanction of this Scheme by the Court, and except as provided for in paragraph 21.4, any amendment to this Scheme must be:

(a) made by application to the Court and approved by the Court; and

(b) notified in advance, and not less than 21 days prior to any proposed Court hearing, to the PRA and the FCA using such contact details as may be provided by the PRA and FCA from time to time, who shall each have the right to attend and be heard at any hearing of the Court (if applicable) at which such application is considered.

21.3 If paragraphs 21.2(a) and 21.2(b) apply, the Transferor and the Transferee may amend the terms of this Scheme in accordance with such Court approval.

21.4 Any amendment to this Scheme will not require Court approval where:

(a) such amendment is:

(i) considered by the Transferor or the Transferee to be minor and/or technical; or

(ii) to correct manifest errors; and

(b) the relevant department of each of the PRA and the FCA has been notified of such amendment and either: (i) the PRA and the FCA have respectively indicated that they do not object thereto; or (ii) in respect of the PRA and the FCA, a period of 30 days has passed commencing on the date of the acknowledgement of receipt of the relevant notification by both regulators without either regulator indicating any objections thereto.

22. COSTS AND EXPENSES

Except as otherwise agreed in writing or provided in this Scheme or ordered by the Court, the Transferor and the Transferee shall bear their own costs and expenses in relation to the preparation and carrying into effect of this Scheme, whether before or after the Effective Date.

23. EVIDENCE OF TRANSFER

23.1 The production of a copy of the Order with any modifications, amendments and/or additions made under paragraph 21, shall for all purposes be evidence of the transfer to, and vesting in, the Transferee of the Business in accordance with the Order and the provisions of this Scheme.

23.2 In order to enable the Transferee to complete any title to any property or interest in land transferred to, and vested in, it by virtue of this Scheme and, without prejudice to paragraphs 6 to 17 inclusive and paragraph 21.1, by notice of title or otherwise, or to deduce title, this Scheme and/or the Order, with any modifications made under paragraph 21, together with any document ancillary thereto (including a certificate of any officer or employee of the Transferee identifying the relevant property or interest in land) shall be deemed to be, and may be used as, a general disposition, conveyance or as the case may be, assignation, of such property or interest in favour of the Transferee.

24. GOVERNING LAW AND JURISDICTION

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

24.2 Except as expressly provided otherwise in this Scheme, the English courts shall have exclusive jurisdiction in relation to all Disputes. For such purposes each of the Transferor and the Transferee irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction. Each of the Transferor and the Transferee also irrevocably waives any objection to the recognition or enforcement in the courts of any other country of a judgment delivered by an English court exercising jurisdiction pursuant to this paragraph 24.

SCHEDULE 1

The Business

1. Business Assets

The Business includes the following assets held by the Transferor:

1. the benefit (subject to the burden) of all Customer Agreements and Guarantor Agreements;

2. any interest, right or claim arising under or in respect of any Encumbrance together with all rights, interests, claims, powers, remedies and benefits arising under, pursuant to or in connection with those Encumbrances;

3. all rights, interests, benefits and powers of the Transferor against solicitors, licensed conveyancers and qualified conveyancers in relation to entry into any mortgage or loan (and the taking and perfecting of any Encumbrance);

4. all Marketing Consents;

5. all bank account balances held in the name of the Transferor immediately prior to the Effective Date, including those held with the BoE or any other central bank, including, without limitation, any collateral, liquidity, reserve or settlement accounts (including the Operational Bank Accounts) but excluding the Non-Transferring BoE Arrangements;

6. all debt securities in the Transferor's liquid asset portfolio and collateral assets;

7. the Transferor's interests, rights and benefits (in whatever capacity, including as seller, servicer, cash manager and swap provider) as Transferor under, retained notes issued by, and contracts with or related to, the Duncan Transactions and the Duncan Transaction Documents;

8. the Transferor's interests, rights and benefits (in whatever capacity, including as issuer and as calculation agent) under the SRT Transaction and contracts with or related to the SRT Transaction as well as any other related documentation;

9. the Transferor's interests, rights and benefits (in whatever capacity, including as issuer, seller, servicer, cash manager, cover pool swap provider and as a member of the Covered Bonds LLP) in, and contracts with, the Covered Bonds LLP and otherwise under its covered bond programme, and its shares in TSB Covered Bonds (LM) Limited;

10. the Trading Assets (including all hedging transactions associated with securitisation transactions, securitisation programmes, covered bond programmes, wholesale funding and balance sheet risk management) and collateral placed with or received from counterparties which constitutes an asset;

11. any property (freehold and leasehold) including right of use leasing assets;

12. the Business IP;

13. the Business Equipment and IT systems;

14. the Business Contracts;

15. the Business Claims;

16. the Business Records;

17. the Pipeline Business;

18. the Customer Data;

19. the benefit of tax assets and any claims made or to be made in respect of such tax assets;

20. any shareholdings in subsidiaries connected to the Covered Bond Programme;

21. the Sort Codes;

22. the BINs;

23. the SUNs;

24. the Payment Scheme Memberships, including the Terminating Payment Scheme Memberships (subject to any charges, encumbrances or other security interests created by the Transferor over settlement and collateral accounts in relation thereto);

25. the Payment Scheme Memberships Reference Information;

26. the rights, interests, benefits and title in respect of the Transferring BoE Arrangements;

27. any items in the course of collection from credit and non-credit institutions and

28. any other assets or rights (including contingent assets) of the Transferor.

2. Assumed Liabilities

The Business includes all Liabilities arising from, relating to or in connection with:

1. any Liability of the Transferor arising from, relating to or in connection with any Business Asset, Customer Agreement or Business Contract;

2. any Liability of the Transferor arising from, relating to and/or connected with any mis-selling claims from Customers;

3. any Liability of the Transferor arising from, relating to and/or connected with any claims from prospective customers;

4. any Liability of the Transferor arising from, relating to or in connection with the covered bonds issued under, or any of the Transferor's roles (including as issuer, seller, servicer, cash manager and cover pool swap provider) under, its Covered Bond Programme and the Covered Bond Transaction Documents;

5. any Liabilities of the Transferor arising from, relating to or in connection with any of the Transferor's roles (including as seller, servicer, cash manager and swap

provider (where applicable)) under the Duncan Transactions and the Duncan Transaction Documents;

6. any Liabilities of the Transferor arising from, relating to or in connection with the SRT Transaction, including all obligations of the Transferor as issuer of the credit-linked notes issued pursuant to such SRT Transaction and as calculation agent in respect of the SRT Transaction;

7. senior unsecured debt securities issued by the Transferor under its £2,000,000,000 Euro Medium Term Note Programme;

8. any loan notes issued by the Transferor (whether before or after the date of this Scheme but prior to the Effective Date) pursuant to the umbrella agreement originally dated 1 January 2019 between, amongst others, the Transferee and the Transferor, as amended and/or restated from time to time, governing the terms of internal issuance for the purposes of the minimum requirement for own funds and eligible liabilities (the "**Umbrella Agreement**") together with all rights, obligations, benefits, burdens, liabilities, title and interest of the Transferor under the Umbrella Agreement to the extent (and only to the extent) that they relate to such loan notes (the "**Umbrella Loan Notes**");

9. Additional Tier 1 and Tier 2 subordinated debt securities issued by the Transferor (together with items (7) and (8) above, the "**Transferring Treasury Liabilities**");

10. Trading Liabilities (including all obligations arising under hedging transactions associated with securitisation transactions, securitisation programmes, covered bond programmes, wholesale funding and balance sheet risk management) and collateral placed with or received from counterparties which constitutes a Liability;

11. Lease Liabilities;

12. deferred employee remuneration;

13. any Liabilities of the Transferor from, relating to and/or in connection with any Whistletree Claim;

14. any corporation tax liabilities of the Transferor;

15. items in the course of transmission to credit and non-credit institutions;

16. any Liability arising from, relating to and/or connected with the Transferring BoE Arrangements;

17. any Liability arising from, relating to and/or connected with the Payment Scheme Memberships (including the Terminating Payment Scheme Memberships) and the Payment Scheme Memberships Reference Information; and

18. any other Liabilities, including contingent Liabilities.

SCHEDULE 2

Non-Transferring Business

1. Excluded Assets

The following assets and rights of the Transferor are to be excluded from the Business and shall not transfer pursuant to this Scheme:

1. all intra-group agreements between the Transferor and the Transferee (other than any notes under the EMTN Programme or covered bonds under the Covered Bond Programme, the Transferring Treasury Liabilities and the Umbrella Loan Notes);

2. the Umbrella Agreement (other than the Umbrella Loan Notes), which shall not transfer pursuant to this Scheme and shall continue in full force and effect between the parties to it (including the Transferor) on and after the Effective Date;

3. any assets associated with a Sanctioned Account in relation to which the Transferor has been refused a licence from a Sanctions Authority permitting a transfer;

4. any assets associated with a Sanctioned Account, or any other asset forming part of the Business, that has not been transferred by the date the Scheme is due to lapse under paragraph 20.3;

5. the Employment Contracts;

6. the Retained Information;

7. the Non-Transferring BoE Arrangements;

8. the Excluded Access To Cash Agreements; and

9. any Prohibited Arrangements.

2. Excluded Liabilities

Any Liability of the Transferor arising from, relating to and/or in connection with any Excluded Asset is to be excluded from the Business and shall remain with the Transferor.