EXECUTION COPY

N COVERED BOND CONFIRMATION

SERIES 2011-18 N COVERED BOND DUE 2029

CONFIRMATION

In consideration of the Issuer issuing the Series 2011-18 EUR 40,000,000 N Covered Bond Due 2029 (the N **Covered Bond**) and the LLP extending its Covered Bond Guarantee to the N Covered Bond, we agree to be bound by all the provisions of this N Covered Bond Confirmation (including the confirmation terms which are incorporated into this N Covered Bond Confirmation (the **N Covered Bond Confirmation Terms**)).

The Issuer confirms that the interest rate on the N Covered Bond does not exceed a reasonable commercial return on the principal amount of the N Covered Bond.

EXTENSION PERIOD

An extension period applies in relation to the N Covered Bond. Clauses 3.3 (*Extended Due for Payment Date*) and 3.5 (*Accrual of Interest after the Final Maturity Date*) of the N Covered Bond Confirmation Terms are applicable to the N Covered Bond.

Terms used in Condition 4.2 of the Programme Conditions shall be modified as set out in Schedule 1 hereto.

NOTICES AND ACCOUNT DETAILS

All notices that are required to be given to the N Covered Bondholder pursuant shall be delivered in accordance with Condition 10 (Notices) of the N Covered Bond Conditions:

Details of N Covered Bondholder

Company Name: [redacted]

Address: [redacted]

Address for Notice: [redacted]

Telephone: [redacted]

Fax: [redacted]

e-mail: [redacted]

Attention: [redacted]

Account Details:

For the purposes of Condition 5 (Payments) of the N Covered Bond Conditions the Designated Account of [redacted] shall be as follows:

Name of Bank: [redacted]

Sort Code: [redacted]

Account Number: [redacted]

IBAN Number: [redacted]

BIC: [redacted]

MISCELLANEOUS

Terms used but not defined in this N Covered Bond Confirmation shall have the meanings given to them in (i) the N Covered Bond Conditions, (ii) the N Covered Bond Confirmation Terms and (iii) in the Master Definitions and Construction Agreement (as defined in the N Covered Bond Confirmation Terms). This N Covered Bond Confirmation and all non contractual or other obligations arising out of or in connection with it are governed by English law. This N Covered Bond Confirmation and the N Covered Bond Confirmation Terms (incorporated herein) shall constitute an agreement between the parties hereto in accordance with English law.

The courts of England and Wales shall have the exclusive jurisdiction for any actions or other legal proceedings arising out of or in connection with this N Covered Bond Confirmation and the parties hereto agree to waive any right to invoke, and agree not to invoke, any claim of forum non conveniens and each party hereto irrevocably submits to the jurisdiction of the courts of England and Wales in respect of any action or proceeding relating in any way to this N Covered Bond Confirmation.

This N Covered Bond Confirmation may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement. This N Covered Bond Confirmation shall not come into effect until each party has executed at least one counterpart.

Upon the assignment by the N Covered Bondholder of its rights in relation to the relevant N Covered Bond pursuant to a duly executed and delivered N Covered Bond Assignment Agreement, the assignee will agree to be bound by the terms of this N Covered Bond Confirmation.

SIGNED by
[redacted]
by its duly authorised attorney

....

SIGNED by
NATIONWIDE BUILDING SOCIETY

[redacted]

SIGNED by
NATIONWIDE COVERED BONDS LLP acting by its duly

[redacted]

SIGNED by
CITICORP TRUSTEE COMPANY LIMITED acting by

[redacted]

SCHEDULE 1

Series:	2011-18
Principal Amount on Issue:	EUR 40,000,000
Final Maturity Date:	15 October 2029
Interest prior to Final Maturity Date:	Annual Fixed
Calculation of Interest:	Refer to N Covered Bond Conditions
Other Provisions:	Clauses 3.3 and 3.5 of the N Covered Bond Confirmation Terms are applicable
Extended Due for Payment Date:	15 October 2030
N Covered Bond governing law:	German
N Covered Bond Confirmation Terms governing law:	English

Floating Rate Covered Bond Provisions for the period from and including the Final Maturity Date to the Extended Due for Payment Date:

1.	Specified Interest Payment Date(s):		Monthly, in arrears on 15th of each month from 15 November 2029 up to and including the Extended Due for Payment Date
2.	Business Day Convention		Modified Following Business Day Convention
3.	Day Count Fraction		Actual/360
4.	Additional Business Centre(s):		London & TARGET2
5.	Manner in which the Rate of Interest and Interest Amount is to be determined:		Screen Rate Determination
6.	Screen Rate Determination		
	(a)	Reference Rate	1-month EURIBOR + 1.09 per cent. per annum.
	(b)	Interest Determination Date(s)	Second day on which the TARGET2 System is open prior to the start of each Interest Period
	(c)	Relevant Screen Page	Reuters page EURIBOR01

7. References to London Business Days in the N Covered Bond Confirmation Terms shall be read as references to Business Days.

N COVERED BOND CONFIRMATION TERMS

THESE N COVERED BOND CONFIRMATION TERMS (the **Confirmation Terms**) are effective by virtue of an N Covered Bond Confirmation signed by an N Covered Bondholder.

WHEREAS:

(A) The Issuer has established a €45 billion global covered bond programme (the **Programme**) pursuant to which the Issuer may from time to time issue Covered Bonds denominated in any currency as may be agreed by the Issuer, the relevant Dealer(s) and the Principal Paying Agent.

(B) Citicorp Trustee Company Limited has agreed to act as the Bond Trustee for the benefit of the Covered Bondholders, the Receiptholders and the Couponholders under the Programme, upon and subject to the terms of a Trust Deed dated 30 November 2005 and made between the Issuer, the LLP and the Bond Trustee (as amended and restated or supplemented from time to time, the **Trust Deed**).

(C) The LLP has agreed to guarantee interest and principal payments on all Covered Bonds (including, without limitation, the N Covered Bonds) issued under the Programme as more particularly set out in the Trust Deed and in the circumstances described therein.

(D) In consideration for the Issuer lending the proceeds of the issuance of each N Covered Bond to the LLP (and subject to the relevant N Covered Bondholder signing an N Covered Bond Confirmation), the LLP has agreed to extend the terms of its Covered Bond Guarantee to each relevant N Covered Bond.

(E) The Issuer has issued or will issue N Covered Bonds (each, an **N Covered Bond**) each of which forms or will form a separate Series of Covered Bonds under the Programme.

(F) From time to time, the registered holder of an N Covered Bond may specify that these Confirmation Terms apply to the relevant N Covered Bond by execution of an N Covered Bond Confirmation.

1. DEFINITIONS AND INTERPRETATION

1.1 For the purposes of these Confirmation Terms, the following definitions shall apply:

Extended Due for Payment Date has the meaning given to it in the relevant N Covered Bond Confirmation.

Extension Determination Date means the date falling two London Business Days after the expiry of seven days starting on (and including) the Final Maturity Date.

Final Maturity Date has the meaning given to it in the relevant N Covered Bond Conditions.

N Covered Bond has the meaning given to it in recital D above.

N Covered Bond Conditions means the relevant terms and conditions of the N Covered Bond annexed as Schedule 1 to the relevant N Covered Bond.

N Covered Bond Confirmation means, in relation to each N Covered Bond, the confirmation made by the relevant N Covered Bondholder, pursuant to which the relevant N Covered Bondholder agrees that these Confirmation Terms will apply to the relevant N Covered Bond, the form of which is attached at Schedule 2 to the Trust Deed.

N Covered Bondholder means, in relation to each N Covered Bond, the registered holder of the N Covered Bond from time to time (provided that such holder has executed an N Covered Bond Confirmation).

Programme Conditions means the terms and conditions set out in Schedule 1 of the Trust Deed as the same may from time to time be modified in accordance with the Trust Deed.

Rating Agency means any one of Moody's Investors Service Limited, Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings Ltd. (together the **Rating Agencies**) or their successors, to the extent they provide ratings in respect of the Covered Bonds.

1.2 The master definitions and construction agreement made between the parties to the Transaction Documents on 30 November 2005 (as the same may be amended, varied and/or supplemented from time to time with the consent of the parties thereto) (the **Master Definitions and Construction Agreement**) and attached as Schedule 7 to the Trust Deed for information purposes is expressly and specifically incorporated into these Confirmation Terms and, accordingly, the expressions defined in the Master Definitions and Construction Agreement shall, except where the context otherwise requires and save where otherwise defined (i) in the N Covered Bond Conditions, or (ii) herein, have the same meanings in these Confirmation Terms, including the recitals hereto and these Confirmation Terms shall be construed in accordance with the interpretation provisions set out in Clause 2 (Interpretation and Construction) of the Master Definitions and Construction Agreement.

2. N COVERED BOND CONFIRMATION TERMS

Each N Covered Bondholder agrees with the Issuer, the LLP and the Bond Trustee with respect to the relevant N Covered Bond that it shall take the benefit of and be bound by and subject to:

(a) (as if it was a party thereto) the Trust Deed (excluding, except as specified herein, the Programme Conditions but including, without limitation and for the avoidance of doubt the declaration of trust pursuant to Clause 2.2 (*Covenant to repay principal and repay interest*) thereof, the Covered Bond Guarantee granted pursuant to Clause 7 thereof, the provisions on Proceedings, Action and Indemnification pursuant to Clause 10 thereof, the provisions relating to Waiver, Authorisation and Determination pursuant to Clause 20 thereof, the provisions in relation to Modification pursuant to Clause 21 thereof, the provisions in relation to Substitution pursuant to Clause 22 thereof and the provisions in relation to Meetings of Covered Bondholders pursuant to Schedule 4 thereof), and the other Transaction Documents to the extent relevant to the relevant N Covered Bond and these Confirmation Terms;

(b) the provisions of these Confirmation Terms; and

(c) Condition 9 (*Events of Default and Enforcement*), Condition 14 (*Meetings Of Holders Of The Covered Bonds, Modification, Waiver And Substitution*), Condition 15 (*Indemnification of the Bond Trustee and/or Security Trustee and Bond Trustee and/or Security Trustee Contracting with the Issuer and/or the LLP*), and Condition 16 (*Further Issues*) of the Programme Conditions.

3. COVERED BOND GUARANTEE

3.1 General

Subject to and in accordance with the terms of the Trust Deed and Condition 9 (*Events of Default and Enforcement*) of the Programme Conditions, under the Covered Bond Guarantee the LLP shall, following service of an Issuer Acceleration Notice and Notice to Pay or, if applicable, an LLP Acceleration Notice, pay or procure to be paid the Guaranteed Amounts in respect of the relevant N Covered Bond on their Original Due for Payment Dates or their Extended Due for Payment Date (if applicable).

3.2 Hard Bullet Covered Bond

An N Covered Bond to which these Confirmation Terms relate is a Hard Bullet Covered Bond if stated to be so in the relevant N Covered Bond Confirmation.

3.3 Extended Due for Payment Date

Subject to Clause 3.6 (*Applicability*), without prejudice to Condition 9 (*Events of Default and Enforcement*) of the Programme Conditions, if the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in Condition 4.1 (*Final Redemption*) of the N Covered Bond Conditions (or after expiry of the grace period set out in Condition 9.1(a) of the Programme Conditions) and, following the service of a Notice to Pay on the LLP by no later than the date falling one Business Day prior to the Extension Determination Date, the LLP has insufficient monies available under the Guarantee Priority of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the N Covered Bond on the date falling on the earlier of (a) the date which falls two London Business Days after service of such Notice to Pay on the LLP or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.1(a) of the Programme Conditions) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the LLP under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date in respect of the relevant N Covered Bond, provided that the LLP may pay any amount representing the Final Redemption Amount on the relevant Final Maturity Date and any amount representing all or part of the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above may also be paid by the LLP on any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.

The LLP shall notify each N Covered Bondholder (in accordance with Condition 10 (*Notices*) of the N Covered Bond Conditions), the Rating Agencies, the Bond Trustee, the Security Trustee, the Principal Paying Agent and the Registrar as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) above of any inability of the LLP to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the N Covered Bond pursuant to the Covered Bond Guarantee.

In the circumstances outlined above, the LLP shall on the earlier of:

(a) the date falling two London Business Days after the service of a Notice to Pay on the LLP or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9.1(a) of the Programme Conditions), and

(b) the Extension Determination Date,

under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) *pro rata* in part payment of an amount equal to the Final Redemption Amount of the relevant N Covered Bond and shall pay Guaranteed Amounts constituting the Scheduled Interest in respect of the N Covered Bond on such date. The obligation of the LLP to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above. Such failure to pay by the LLP shall not constitute an LLP Event of Default under Condition 9.2(a) of the Programme Conditions.

3.4 **Excess Proceeds**

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the LLP under the Covered Bond Guarantee in connection with this Clause 3.

3.5 **Accrual of Interest after the Final Maturity Date**

Subject to Clause 3.6 (*Applicability*), following the Final Maturity Date, interest will continue to accrue on the Principal Amount Outstanding of the N Covered Bond and be payable on any unpaid amount at a Rate of Interest determined in accordance with Condition 4.2 of the Programme Conditions (in the same manner as the Rate of Interest for Floating Rate Covered Bonds), provided that terms used in Condition 4.2 of the Programme Conditions shall, where applicable, be modified as set out in the relevant N Covered Bond Confirmation.

3.6 **Applicability**

Clauses 3.3 and 3.5 of these Confirmation Terms shall only apply to an N Covered Bond if the relevant N Covered Bond Confirmation specifies that an Extended Due for Payment Date shall apply in respect of such N Covered Bonds.

4. REDEMPTION DUE TO ILLEGALITY

4.1 An N Covered Bond may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Principal Paying Agent, the Registrar and, in accordance with the N Covered Bond Conditions, each N Covered Bondholder (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any Term Advance made by it to the LLP pursuant to the Intercompany Loan Agreement, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

4.2 If an N Covered Bond is redeemed pursuant to this Clause 4, it will be redeemed at its Final Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

5. INCORPORATION OF PROGRAMME CONDITIONS

The provisions of Condition 9 (*Events of Default and Enforcement*), Condition 14 (*Meetings of Covered Bondholders, Modifications and Waiver*), Condition 15 (*Indemnification of the Bond Trustee and/or Security Trustee and Bond Trustee and/or Security Trustee Contracting with the Issuer and/or the LLP*) and Condition 16 (*Further Issues*) of the Programme Conditions shall apply in full to the N Covered Bond *mutatis mutandis*.

6. TAXATION

6.1 Any payments made by the Issuer to an N Covered Bondholder shall be made subject to the terms and conditions of the relevant N Covered Bond Conditions.

6.2 If any payments made by the LLP under the Covered Bond Guarantee are or become subject to any withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom or by any authority therein or thereof having power to tax, the LLP shall make such payments net of such withholding or deduction and the LLP will not be obliged to pay any additional amounts to any N Covered Bondholder as a consequence.

6.3 In the event that any payments made by the LLP under the Covered Bond Guarantee to an N Covered Bondholder are, or become, subject to any withholding or deduction for, or on account of, any taxes as set out in Clause 6.2 above, the provisions of any applicable double taxation treaty may be relevant to such N Covered Bondholder.

7. REPRESENTATIONS OF THE ISSUER AND THE LLP

Each of the Issuer and the LLP hereby represents and warrants that the characteristics of the transaction comprising the issue of N Covered Bonds and the entry into and performance of each of the Transaction Documents and the other transactions to be entered into in connection therewith are not primarily attributable to an intention to avoid United Kingdom tax.

8. N COVERED BONDHOLDER REPRESENTATIONS

Each N Covered Bondholder represents that, unless it has notified the Issuer in writing to the contrary before becoming an N Covered Bondholder, it is not an individual, a Scottish partnership consisting of partners who are individuals, a Personal Representative in relation to a person who has died or a Relevant Trustee, and that it will hold the N Covered Bond neither for, nor or behalf of, such an individual, Scottish partnership, Personal Representative in relation to a person who has died or a Relevant Trustee.

For the purposes of this Clause 8:

a **Relevant Trustee** means a trustee of a Discretionary or Accumulation Settlement acting solely within its capacity as such a trustee;

a **Discretionary or Accumulation Settlement** is a trust or settlement under which income that arises is required to be accumulated or is payable at the discretion of the trustees or any person, or in relation to which income arises that falls into certain categories as set out in section 482 of the United Kingdom Income Tax Act 2007; and

a **Personal Representative** in relation to a person who has died means (in the United Kingdom) a person responsible for administering the estate of that person or (outside the United Kingdom) a person having functions equivalent to those of administering the estate of the deceased person.

9. CONFLICTS

9.1 Each N Covered Bondholder agrees with the LLP, the Issuer and the Bond Trustee that in the event of any conflict between the provisions of the relevant N Covered Bond Conditions and these Confirmation Terms (including, for the avoidance of doubt, the Transaction Documents and any other documents by which the N Covered Bondholder is bound pursuant to Clause 2) and the relevant N Covered Bond Confirmation, these Confirmation Terms (including, for the avoidance of doubt, the Transaction Documents and any other documents by which the N Covered Bondholder is bound pursuant to Clause 2) and the relevant N Covered Bond Confirmation will prevail.

9.2 Each N Covered Bondholder agrees with the LLP, the Issuer and the Bond Trustee that in the event of any conflict between the provisions of the relevant N Covered Bond Confirmation and any provisions contained in these Confirmation Terms and the relevant N Covered Bond Confirmation, the relevant N Covered Bond Confirmation will prevail.

10. AMENDMENTS

Any amendments to these Confirmation Terms or any N Covered Bond Condition will be made only with the written consent of each party to these Confirmation Terms (including any N Covered Bondholder that has confirmed the applicability of these Confirmation Terms to the N Covered Bond held by it). No waiver of these Confirmation Terms shall be effective unless it is in writing and signed by (or by some person duly authorised by) each of the parties (including any N Covered Bondholder that has confirmed the applicability of these Confirmation Terms to the N Covered Bond held by it). No single or partial exercise of, or failure or delay in exercising, any right under these Confirmation Terms shall constitute a waiver or preclude any other or further exercise of that or any other right.

11. ASSIGNMENT

Neither these Confirmation Terms nor any of the rights or obligations under these Confirmation Terms will be assignable or transferable by any party except (i) by an N Covered Bondholder together with the transfer of the N Covered Bond as further described in the relevant N Covered Bond Conditions; (ii) by the Issuer in accordance with Condition 14 of the Programme Conditions and Clause 22 of the Trust Deed; and (iii) in the case of the Bond Trustee, any successor or new Bond Trustee appointed pursuant to the terms of the Trust Deed.

12. NO ENFORCEMENT BY N COVERED BONDHOLDER

Subject to and in accordance with the Trust Deed, each N Covered Bondholder agrees with the LLP, the Issuer and the Bond Trustee that only the Bond Trustee may take action to enforce the terms of the N Covered Bond and the Trust Deed and it shall not take any steps or institute proceedings unless the Bond Trustee or the Security Trustee having become bound to do so fails to do so within a reasonable time and such failure is continuing (in which case the relevant N Covered Bondholder shall be entitled to take such steps in accordance with Condition 9 of the Programme Conditions).

13. GOVERNING LAW

These Confirmation Terms and all non contractual or other obligations arising out of or in connection with them are governed by English law.

14. PLACE OF JURISDICTION

The courts of England and Wales shall have the exclusive jurisdiction for any actions or other legal proceedings arising out of or in connection with these Confirmation Terms and the parties hereto agree to waive any right to invoke, and agree not to invoke, any claim of forum non conveniens and each party hereto irrevocably submits to the jurisdiction of the courts of England and Wales in respect of any action or proceeding relating in any way to these Confirmation Terms. Any documents relating to such dispute may be served on the relevant N Covered Bondholder by being delivered to the address stated in the relevant N Covered Bond Confirmation.

15. PARTIAL INVALIDITY

If any provision of these Confirmation Terms is or becomes invalid in whole or in part, the remaining provisions shall remain unaffected thereby. Invalid provisions shall be replaced by such valid provisions which taking into consideration the purpose and intent of these Confirmation Terms have to the extent legally possible the same economic effect as the invalid provisions. This shall apply *mutatis mutandis* to any gap in these Confirmation Terms.

16. THIRD PARTY BENEFICIARIES

Subject to any provision(s) of these Confirmation Terms under which rights are granted to third parties by express reference to the Contracts (Rights of Third Parties) Act 1999, a person who is not a party to these Confirmation Terms has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Confirmation Terms but this does not affect any right or remedy of a third party which exists or is available apart from that Act.