



SANTANDER UK PLC

(INCORPORATED IN ENGLAND WITH LIMITED LIABILITY, REGISTERED NUMBER 2294747)
(AS ISSUER OF SENIOR NOTES)

and

SANTANDER UK GROUP HOLDINGS PLC

(INCORPORATED IN ENGLAND WITH LIMITED LIABILITY, REGISTERED NUMBER 8700698)
(AS ISSUER OF SENIOR NOTES AND DATED SUBORDINATED NOTES)

€30,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

Santander UK plc ("**Santander UK**") and Santander UK Group Holdings plc ("**Santander UK Group Holdings**", together with Santander UK, the "**Issuers**" and each an "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency as agreed between the relevant Issuer and the relevant Dealer (as defined below) under this €30,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). The Notes issued under the Programme may comprise (i) unsubordinated Notes of either Issuer which rank as senior obligations of the relevant Issuer ("**Senior Notes**") and (ii) Notes of Santander UK Group Holdings which are subordinated as described herein and have terms capable of qualifying as Tier 2 capital ("**Dated Subordinated Notes**"). Any Notes issued under the Programme by the completion of the Final Terms or, in the case of Exempt Notes (as defined below), the Pricing Supplement, on or after the date of this Prospectus are issued subject to the provisions hereof. "**Final Terms**" means the terms set out in a Final Terms document substantially in the form set out in this Prospectus and "**Pricing Supplement**" means the terms set out in a Pricing Supplement document substantially in the form set out in this Prospectus. Accordingly, in the case of Exempt Notes, each reference in this Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Pricing Supplement unless the context requires otherwise.

This Prospectus has (other than in respect of Exempt Notes) been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, varied, superseded or substituted from time to time ("**EUWA**") (the "**UK Prospectus Regulation**"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the FCA in its capacity as competent authority for Notes (other than Exempt Notes) issued under the Programme to be admitted to the official list of the FCA (the "**Official List**"). In respect of Notes to be admitted to the Official List, application has also been made to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's Main Market. The London Stock Exchange's Main Market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**").

This Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the United Kingdom (the "**UK**"). The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

The requirement to publish a prospectus under the Financial Services and Markets Act 2000 ("**FSMA**") only applies to Notes which are to be admitted to trading on a UK regulated market as defined in UK MiFIR and/or offered to the public in the UK other than in circumstances where an exemption is available under section 86 of the FSMA. References in this Prospectus to "**Exempt Notes**" are to Notes for which no prospectus is required to be published under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and the FSMA. **The FCA has neither approved nor reviewed information contained in this Prospectus in connection with Exempt Notes.**

Notes may be issued in bearer or registered form (respectively "**Bearer Notes**" and "**Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €30,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein. The Notes may be issued on a continuing basis to one or more of the Dealers specified under "**Overview of the Programme**" and any additional Dealer appointed under the Programme from time to time (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes, and certain other information not contained herein which are applicable to each Tranche of Notes will (other than in the case of Exempt Notes) be set out in the applicable Final Terms which, with respect to Notes to be admitted to the Official List and to be admitted to trading on the London Stock Exchange's Main Market, will be delivered to the FCA and the London Stock Exchange on or before the date of issue of the Notes of such Tranche and will also be published on the website of the London Stock Exchange through a regulatory information service (the "**RNS website**"). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes, and certain other information not contained herein which are applicable to each Tranche of Exempt Notes will be set out in the applicable Pricing Supplement.

The Programme provides that Notes may be listed on such other market(s) as may be agreed between the relevant Issuer and the relevant Dealer and specified in the Final Terms.

See "**Risk Factors**" (pages 20 to 65) for a discussion of factors which may affect the relevant Issuer's ability to fulfil its obligations under Notes issued under the Programme and factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See "**Form of the Notes**" for a description of the manner in which Notes will be issued. Notes are subject to certain restrictions on transfer, see "**Subscription and Sale and Transfer and Selling Restrictions**". Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A under the Securities Act.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms.

Arranger

SANTANDER CORPORATE & INVESTMENT BANKING

Dealers

SANTANDER CORPORATE &
INVESTMENT BANKING

SANTANDER UK PLC

In this document references to “**Santander UK**” are references to Santander UK plc, references to “**Santander UK Group Holdings**” are to Santander UK Group Holdings plc and references to “**Santander UK Group**” and the “**Group**” are references to Santander UK Group Holdings and its subsidiaries. References to “**Banco Santander**” are references to Banco Santander, S.A. and references to the “**Banco Santander Group**” are references to Banco Santander and its subsidiaries.

In this document references to “**Moody’s**” are to Moody’s Investors Service Limited; references to “**S&P**” are to S&P Global Ratings UK Limited; and references to “**Fitch**” are to Fitch Ratings Ltd. Each of Moody’s, S&P and Fitch is established in the UK. Each of Moody’s, S&P and Fitch is registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the EUWA (the “**UK CRA Regulation**”).

In general, as at the date of this Prospectus, European regulated investors are restricted from using a rating for regulatory purposes in the European Economic Area (the “**EEA**”) if such rating is not issued by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”) (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Credit ratings are not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Each Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued by it under the Programme. To the best of the knowledge of each Issuer the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*” below), the information on the websites to which this

Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

Save for the Issuers, no other party has separately verified the information contained herein or makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability with respect to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuers in connection with the Programme or accepts any liability for any actions or omissions of the Issuers or any other person in connection with the Programme.

No person is or has been authorised by either Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either Issuer, any of the Dealers or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by either Issuer, any of the Dealers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of either Issuer, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference in this Prospectus when deciding whether or not to purchase any Notes.

The Notes not in registered form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to or for the account or benefit of U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder.

Notwithstanding anything in this Prospectus to the contrary, each prospective investor (and each employee, representative or other agent of the prospective investor) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of any offering and all materials of any kind (including opinions or other tax analyses) that are provided to the prospective investor relating to such U.S. tax treatment and U.S. tax structure, other than any information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws.

Persons into whose possession offering material comes must inform themselves about and observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such an offer or a solicitation by anyone not authorised so to act.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Dealers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering, or that all actions have been taken by the Issuers, the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. In particular, no action has been taken by the Issuers, the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area, Belgium, the UK, Australia, Canada, Japan, Hong Kong, Singapore, Poland, the United Arab Emirates, the Dubai International Financial Centre, Indonesia, Malaysia and Switzerland, see “Subscription and Sale and Transfer and Selling Restrictions”.

In making an investment decision, investors must rely on their own examination of the relevant Issuer and the terms of the Notes being offered, including the merits and risks involved.

Certain of the Dealers and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with, and may perform services for the Issuers and their respective affiliates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers or any of their affiliates.

None of the Dealers, the Issuers and the Trustee makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should satisfy itself that it is able to bear the economic risk of an investment in the Notes for an indefinite period of time.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the “Insurance Distribution Directive”), where that customer would not qualify as a

professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK BENCHMARKS REGULATION AND EU BENCHMARKS REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates as specified in the applicable Final Terms. Any such reference rate may constitute a benchmark for the purpose of Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “UK Benchmarks Regulation”) or Regulation (EU) No. 2016/1011 (the “EU Benchmarks Regulation”), as applicable. If any such reference rate does constitute a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the FCA’s register of administrators and benchmarks under Article 36 (Register of administrators and benchmarks) of the UK Benchmarks Regulation (the “FCA Register”) or ESMA’s register of administrators and benchmarks under Article 36 (Register of administrators and benchmarks) of the EU Benchmarks Regulation (the “ESMA Register”). Not every reference rate will fall within the scope of the UK Benchmarks Regulation or the EU Benchmarks Regulation. Transitional provisions in the UK Benchmarks Regulation and the EU Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the FCA Register or the ESMA Register, as applicable, at the date of the relevant Final Terms (or, if located outside the UK or EU (as applicable), recognition, endorsement or equivalence). The registration status of any administrator under the UK Benchmarks Regulation or the EU Benchmarks Regulation is a matter of public record and, save where required by the applicable law, the Issuers do not intend to update the applicable Final Terms to reflect any change in the registration status of the administrator.

MIFID II PRODUCT GOVERNANCE AND TARGET MARKET

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor

subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE AND TARGET MARKET

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled “Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the “SFA”). The relevant Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms (or Pricing Supplement, in the case of Exempt Notes) will constitute notice to “relevant persons” for the purposes of section 309B(1)(c) of the SFA.

Unless otherwise stated in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), all Notes shall be ‘prescribed capital markets products’ (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the MAS) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

U.S. INFORMATION

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Prospectus. Any representation to the contrary is unlawful.

This Prospectus may be distributed on a confidential basis in the United States to a limited number of Qualified Institutional Buyers (“QIBs”) as defined in Rule 144A under the Securities Act (“Rule 144A”) for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from the registration requirements under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together “Rule 144A Notes”) will be deemed, by its acceptance or purchase of any such Rule 144A Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “Subscription and Sale and Transfer and Selling Restrictions”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “Form of the Notes”.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, the Issuers have undertaken in the Trust Deed to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by them, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the “Exchange Act”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder. Each Issuer is currently a reporting company under the Exchange Act.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

Each Issuer is a company incorporated in England. All of the directors of each Issuer reside outside the United States and all or a substantial portion of the assets of each Issuer are located outside the United States. As a result, it may not be possible for investors to effect service of process outside England upon either Issuer, or to enforce judgments against it obtained in the United States predicated upon civil liabilities of either Issuer or such directors under laws other than English, including any judgment predicated upon United States federal securities laws. The Issuers have been advised by Slaughter and May, their English solicitors, that there is doubt as to the enforceability in England in original actions or in actions for enforcement of judgments of

United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references in this document to “U.S. dollars”, “U.S. \$” and “\$” are to the currency of the United States of America, to “Sterling” and “£” are to the currency of the UK and to “euro” and “€” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Each Issuer maintains its financial books and records and prepares its financial statements in Sterling in accordance with UK adopted International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), including interpretations issued by the IFRS Interpretations Committee of the IASB that, under UK adopted regulations, are effective and available for early adoption at each Issuer’s reporting date. Each Issuer has complied with IFRS as adopted by the UK and as applied in accordance with the provisions of the Companies Act 2006.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference herein include forward-looking statements. Examples of such forward-looking statements include, but are not limited to: (i) projections or expectations of revenues, costs, profit (or loss), earnings (or loss) per share, dividends, capital structure or other financial items or ratios; (ii) statements of plans, objectives or goals of each Issuer or its management, including those related to products or services; (iii) statements of future economic performance, including in particular any such statements included in each Issuer’s most recently published Annual Report; and (iv) statements of assumptions underlying such statements. Words such as “believes”, “anticipates”, “expects”, “intends”, “aims”, “plans”, “targets” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements are not statements of historical or current facts; they cannot be objectively verified, are speculative and involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. The Issuers caution that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by the Issuers. Some of these factors, which could affect the Group’s business, financial condition and/or results of operations, include:

- the effects of disruptions in the global economy and global financial markets;
- the effects of the COVID-19 pandemic;
- the effects of UK economic conditions;
- the effects of the UK’s withdrawal from the European Union;
- the effects of climate change;
- the effects of competition with other financial institutions, including new entrants into the financial services sector;
- the risk that the Group’s new or existing products and services may not become (or may not continue to be) successful;

- the risk that the Group may be unable to continue offering products and services from third parties;
- the extent to which the Group's loan portfolio is subject to prepayment risk;
- the risk of damage to the Group's reputation;
- the risk that the Group may be unable to manage the growth of its operations;
- the effects of any changes to the reputation of the Group or its affiliates;
- the extent to which regulatory capital, liquidity and leverage requirements, and any changes to these requirements, may limit the Group's operations;
- the Group's ability to access liquidity and funding on acceptable financial terms;
- the effects of an adverse movement in external credit ratings assigned to the Group, any Group member or any of their respective debt securities;
- the effects of any changes in the pension liabilities and obligations of the Group;
- the effects of fluctuations in interest rates and other market risks;
- risks arising from the integrity and continued existence of reference rates;
- the extent to which the Group may be required to record negative changes in positions recorded at fair value for its financial assets due to changes in market conditions;
- the Group's ability to control the level of non-performing or poor credit quality loans and whether the Group's loan loss reserves are sufficient to cover loan losses;
- the risk that the value of the collateral, including real estate, securing the Group's loans may not be sufficient and that the Group may be unable to realise the full value of the collateral securing its loan portfolio;
- the effects of the financial services laws, regulations, government oversight, administrative actions and policies and any changes thereto in each location or market in which the Group operates;
- the risk that the Group may become subject to the provisions of the Banking Act 2009, including the bail-in and write down powers thereunder;
- the effects of any failure to comply with anti-money laundering, anti-terrorism, anti-corruption, anti-tax evasion or sanctions laws or regulations, or the risk of any failure to prevent or detect any illegal or improper activities fully or timeously;
- the effects of taxation (and any changes to tax), in each location in which the Group operates;
- the Group's exposure to any risk of loss from civil litigation and/or criminal legal or regulatory proceedings;
- the risk of failing to successfully apply or to improve the Group's credit risk management systems;
- the risk that the Santander UK Group's data management policies and processes may not be sufficiently robust;
- the effect of cyber-crime on the Group's business;
- the risks arising from any non-compliance with the Group's policies, from any employee misconduct or human error, negligence and deliberate acts of harm or dishonesty, including fraud;
- the risk of failing to effectively manage changes in the Group's information technology infrastructure and management information systems in a timely manner;
- the Group's exposure to unidentified or unanticipated risks despite its risk management policies, procedures and methods;

- the risks arising from the Group's reliance on third parties and affiliates for key infrastructure support, products and services;
- the ability of the Group to recruit, retain and develop appropriate senior management and skilled personnel;
- the effects of any inaccuracy within the judgements and accounting estimates which underpin aspects of the financial statements, and the consequent risk of any material misstatement of the Group's financial results; and
- the effect of any change in accounting standards.

The Issuers caution that the foregoing list of important factors is not exhaustive.

Undue reliance should not be placed on forward-looking statements when making decisions with respect to the Group and/or its securities. Investors and others should take into account the inherent risks and uncertainties of forward-looking statements and should carefully consider the foregoing non-exhaustive list of important factors. Forward-looking statements speak only as of the date on which they are made and are based on the knowledge, information available and views taken on the date on which they are made; such knowledge, information and views may change at any time.

The Issuers do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Please consider carefully the risk factors set out in the sections herein entitled Risk Factors.

ALTERNATIVE PERFORMANCE MEASURES - Certain alternative performance measures ("APMs") are included or referred to in this Prospectus (including in the documents incorporated by reference). APMs are non-IFRS measures used to supplement disclosures prepared in accordance with other applicable regulations such as IFRS. Santander UK Group Holdings considers that these APMs provide useful information to enhance the understanding of financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures. An explanation of each such APM's components and calculation method can be found at pages 199 to 202 of the Annual Report of Santander UK Group Holdings for the year ended 31 December 2021 (incorporated by reference).

STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over- allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published, shall be incorporated in, and form part of, this Prospectus and approved by the FCA for the purpose of the UK Prospectus Regulation:

- (1) the Annual Report of Santander UK for the year ended 31 December 2021 (which includes the audited consolidated annual financial statements of Santander UK as of 31 December 2021 prepared in accordance with IFRS), excluding the sentence “Please refer to our latest filings with the SEC (including, without limitation, our Annual Report on Form 20-F for the year ended 31 December 2021) for a discussion of certain risk factors and forward-looking statements” on page 238;
- (2) the Annual Report of Santander UK for the year ended 31 December 2020 (which includes the audited consolidated annual financial statements of Santander UK as of 31 December 2020 prepared in accordance with IFRS), excluding the sentence “Please refer to our latest filings with the SEC (including, without limitation, our Annual Report on Form 20-F for the year ended 31 December 2020) for a discussion of certain risk factors and forward-looking statements” on page 254;
- (3) the Annual Report of Santander UK Group Holdings for the year ended 31 December 2021 (which includes the audited consolidated annual financial statements of Santander UK Group Holdings as of 31 December 2021 prepared in accordance with IFRS), excluding the sentence “please refer to our latest filings with the SEC (including, without limitation, our Annual Report on Form-20F for the year ended 31 December 2021) for a discussion of certain risk factors and forward-looking statements” on page 297 and “Contact us” on page 299;
- (4) the Annual Report of Santander UK Group Holdings for the year ended 31 December 2020 (which includes the audited consolidated annual financial statements of Santander UK Group Holdings as of 31 December 2020 prepared in accordance with IFRS), excluding the sentence “please refer to our latest filings with the SEC (including, without limitation, our Annual Report on Form-20F for the year ended 31 December 2020) for a discussion of certain risk factors and forward-looking statements” on page 278 and the sections entitled “Contact us” and “Key Dates” on the inside back cover; and
- (5) the Quarterly Management Statement for the three months ended 31 March 2022 of Santander UK Group Holdings, including the supplementary consolidated information for Santander UK and its controlled entities as set out in Appendix 2 on page 12.

Any statement contained herein or in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a subsequent statement which is deemed to be incorporated by reference herein or contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise), (provided, however, that such statement shall only form part of the Prospectus to the extent that it is contained in a document all of the relevant portion of which is incorporated by reference by way of a supplement proposed in accordance with Article 23 of the UK Prospectus Regulation). Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus, listed in (1) to (5) above, are available for viewing at: <https://www.santander.co.uk/about-santander/investor-relations>.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

The Issuers will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes. Certain information contained in the documents listed above has not been incorporated by reference in this Prospectus. Such information is either (i) not considered by the Issuers to be relevant for prospective investors in the Notes to be issued under the Programme or (ii) is covered elsewhere in this Prospectus.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 as it forms part of domestic law by virtue of the EUWA.

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this overview.

Issuers:	Santander UK plc and Santander UK Group Holdings plc
Issuers’ Legal Entity Identifiers (LEI):	Santander UK plc: PTCQB104N23FMNK2RZ28 Santander UK Group Holdings plc: 549300F5XIFGNNW4CF72
Description of Issuers:	Santander UK is a subsidiary of Santander UK Group Holdings and provides financial services in the UK. Santander UK was incorporated in England and Wales in 1988. Santander UK Group Holdings is the immediate parent company of the Santander UK Group which provides financial services in the UK. Santander UK Group Holdings was incorporated in England and Wales in 2013. Each Issuer forms part of the Banco Santander Group.
Risk Factors:	There are certain factors that may affect the relevant Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under “ <i>Risk Factors - Business Risk Factors</i> ” below. In addition, there are certain factors set out under “ <i>Risk Factors - Risks relating to the Notes</i> ” below which are material for the purpose of assessing the market risks associated with Notes issued under the Programme.
Description:	Euro Medium Term Note Programme
Arranger:	Banco Santander, S.A.
Dealers:	Banco Santander, S.A. Santander UK plc and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and</i>

Sale and Transfer and Selling Restrictions”).

Trustee:	Citicorp Trustee Company Limited
Issuing and Principal Paying Agent:	Citibank, N.A., London Branch
Registrar:	Citibank Europe plc
Programme Size:	Up to €30,000,000,000 (or its equivalent) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	The Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Any currency indicated in the applicable Final Terms.
Maturities:	Subject to any applicable legal or regulatory restrictions and the rules from time to time of any relevant central bank (or equivalent body), such maturity as indicated in the applicable Final Terms. Unless otherwise permitted by the prevailing Capital Rules, Dated Subordinated Notes will have a minimum maturity of five years.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer or registered (or inscribed) form as described in “ <i>Form of the Notes</i> ”. Notes issued in bearer form may also be issued in new global note (“ NGN ”) form. Registered Notes will not be exchangeable for Bearer Notes or <i>vice versa</i> .
Fixed Rate Notes:	Interest on Fixed Rate Notes will be payable on such date or dates as indicated in the applicable Final Terms and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Fixed Rate Reset Notes:	Fixed Rate Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the applicable Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms by reference to a Mid-Swap Rate, a Benchmark Gilt Rate, a Reference Bond Rate or a U.S. Treasury Rate and for a period equal to the reset period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms. Interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate: <ul style="list-style-type: none"> (1) determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant

Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

- (2) determined on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (3) equal to a fixed rate minus a rate based upon a reference rate.

The Margin (if any) relating to such floating rate will be indicated in the applicable Final Terms.

Convertible Interest Basis Notes:

Convertible Interest Basis Notes may be converted from one interest and/or payment basis to another if so provided in the applicable Final Terms.

Other provisions in relation to Floating Rate Notes, Variable Interest Notes and Convertible Interest Basis Notes:

Floating Rate Notes, Variable Interest Notes and Convertible Interest Basis Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes, Variable Interest Notes and Convertible Interest Basis Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and may be calculated on the basis of such Day Count Fraction, as indicated in the applicable Final Terms.

Zero Coupon/Discount Notes:

Zero Coupon Notes and Discount Notes will be offered and sold at a discount to their nominal amount and, in the case of Zero Coupon Notes, will not bear interest.

Benchmark discontinuation:

In certain situations, including if the relevant benchmark ceases to be administered, (a) an Alternative Reference Rate may be determined and certain other adjustments may be made to the Terms and Conditions of the Notes and related transaction documentation to effect a Reference Rate Modification in respect of the relevant Floating Rate Notes or Fixed Rate Reset Notes pursuant to Condition 14(c), or (b) in the case of Floating Rate Notes linked to the Secured Overnight Financing Rate (“**SOFR**”), a Benchmark Replacement and Benchmark Replacement Conforming Changes may be determined in respect of the relevant Floating Rate Notes pursuant to Condition 4(c)(ii)(B)(VII).

Exempt Notes:

Each Issuer may issue Exempt Notes. The relevant Issuer may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the “*Terms and Conditions of the Notes*”, in which event the relevant provisions will be included in the

applicable Pricing Supplement.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default or, in the case of Dated Subordinated Notes, upon the occurrence of a Regulatory Capital Event) or that such Notes will be redeemable at the option of the relevant Issuer (including, in the case of Senior Notes issued by Santander UK Group Holdings, due to a Loss Absorption Disqualification Event and upon satisfaction of any applicable conditions to redemption, as described below) and/or the Noteholders (other than the case of Senior Notes issued by Santander UK Group Holdings and Dated Subordinated Notes) upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity or automatically upon the occurrence of certain specified events and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer and indicated in the applicable Final Terms.

If the Clean-up Redemption Option is specified as being applicable in the applicable Final Terms, and if 80 per cent. or any higher percentage specified in the applicable Final Terms of the aggregate nominal amount of the relevant Series has been redeemed and/or purchased and cancelled pursuant to the Terms and Conditions, the relevant Issuer may (subject, in the case of Dated Subordinated Notes and Senior Notes issued by Santander UK Group Holdings, to Condition 6(k)), and upon giving notice to the Noteholders, redeem all, but not some only, of the Notes of such Series then outstanding on the date or dates, and at a price or prices, indicated in the applicable Final Terms.

Conditions to redemption of the Dated Subordinated Notes and, if applicable, Senior Notes issued by Santander UK Group Holdings:

Any optional redemption or purchase by Santander UK Group Holdings of Dated Subordinated Notes (and/or Senior Notes issued by Santander UK Group Holdings, if applicable pursuant to any Loss Absorption Regulations) is subject to Santander UK Group Holdings having obtained Regulatory Approval and being in compliance with the Regulatory Preconditions.

Denomination of Notes: Notes will be issued in such denominations as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “*Certain Restrictions*” in this Overview. In addition, the minimum denomination of each Note (other than an Exempt Note) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

No sales of Rule 144A Notes in the United States to any one purchaser will be for less than U.S.\$200,000.

Taxation: All payments in respect of the Notes will be made without withholding of or deduction for or on account of taxes imposed by the relevant tax jurisdiction, subject as provided in Condition 7. In the event that any such withholding or deduction is required by law, the relevant Issuer will, save in certain circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Status of the Notes: The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank *pari passu* without preference among themselves. The Dated Subordinated Notes will constitute direct, subordinated and unsecured obligations of Santander UK Group Holdings and will rank *pari passu* without preference among themselves.

Waiver of set-off: Subject to applicable law, no holder of any Dated Subordinated Notes or Senior Notes issued by Santander UK Group Holdings and, in each case, the relative Coupons (if any), may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by Santander UK Group Holdings arising under or in connection with the Dated Subordinated Notes or the Senior Notes issued by Santander UK Group Holdings or, in each case, the relative Coupons (if any), and each holder of any Dated Subordinated Notes or Senior Notes issued by Santander UK Group Holdings and, in each case, the relative Coupons (if any) shall, by virtue of being the holder of any Dated Subordinated Note or Senior Note issued by Santander UK Group Holdings or, in each case, the holder of the relative Coupon (if any), be deemed to have waived all such rights of set-off, compensation or retention.

Rating: The rating of the Notes (if any) to be issued under the Programme will be specified in the applicable Final Terms.

Listing: Application has been made for Notes (other than Exempt Notes) issued under the Programme to be admitted to the Official List and trading on the London Stock Exchange’s Main Market. The Notes may also be listed on such other market(s) as indicated in the applicable Final Terms in relation to each Series.

Governing Law: The Notes and any non-contractual obligations arising out of or in connection therewith will be governed by, and construed in accordance with, English law.

Agreement with respect to the exercise of the Bail-in Power: The Terms and Conditions of the Notes contain a consent by the Noteholders to the exercise of the Bail-in Power by the Resolution Authority. No repayment or payment of Amounts Due on the Notes shall become due and payable or be paid after the exercise of any Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

Selling Restrictions: There are restrictions on the offer, sale and transfer of Notes in certain jurisdictions, including in the United States, the European Economic Area, Belgium, the UK, Australia, Japan, Hong Kong, Singapore, Canada, Poland, the United Arab Emirates, the Dubai International Financial Centre, Indonesia, Malaysia, Switzerland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see “*Subscription and Sale and Transfer and Selling Restrictions*”).

Neither the Trust Deed constituting the Notes nor the Terms and Conditions of the Notes will contain any negative pledge covenant by the relevant Issuer or any events of default other than those set out in Condition 9 (which do not include, inter alia, a cross default provision).

RISK FACTORS

In purchasing Notes, investors assume the risk that the relevant Issuer might become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the relevant Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuers might not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside that Issuer's control. Each Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this section.

Business Risk Factors

Geopolitical and Macro-economic Risks

The Group's operations, financial condition and prospects are materially impacted by economic conditions in the UK and disruptions in the global economy and global financial markets

The Group's business activities are concentrated in the UK, where it offers a range of banking and financial products and services to UK retail and corporate customers. As a consequence, the Group's operations, financial condition and prospects are significantly affected by the general economic conditions in the UK.

Despite the economic recovery experienced during 2021 in the UK as COVID-19 measures were eased, there was a loss of growth momentum towards the end of the year. There is still a risk of an extended period of economic contraction that continues through 2022 as the effects of the COVID-19 pandemic (including the unwind of government support measures), the UK's withdrawal from the European Union ("**Brexit**") and inflation continue to affect supply chains and business and household confidence and finances. These risks could create further downward pressure on the economy; for example: a large surge in business failures with knock-on effects for the labour market resulting in high rates of unemployment that affect the ability of customers to pay their debts, which could also contribute to negative multiplier effects through delayed investment and spending; and a stronger push towards protectionism as governments look to protect home industries. This could also lead to a longer-term turn in the credit cycle with a broader contraction of credit as lenders attempt to protect themselves from increased losses which is likely to be exacerbated by the recent emergence of the Omicron variant (or the emergence of future variants, in particular those against which vaccines are not as effective).

In particular, the Group faces, among others, the following risks in this period of economic uncertainty (including the effect of those risks on gross domestic product, inflation and unemployment):

- Reduced demand for the Group's products and services;
- Inability of the Group's borrowers to make payments on their loans in full or on time;
- The degree of uncertainty concerning economic conditions may adversely affect the accuracy of the Group's estimates, which may, in turn, impact the reliability of the IFRS 9 model and process to determine the sufficiency of the Group's loan loss allowances;

- Lower house or other asset prices, reducing the value of collateral the Group holds on mortgage and other lending;
- Higher inflation, reducing the Group's profitability and increasing the cost of living for the Group's borrowers; and.
- The value and liquidity of the portfolio of investment securities that the Group holds may be adversely affected.

The Group is also exposed to:

- Broader geopolitical issues, which remain heightened with the potential for a further pushback against globalism. Further moves towards unilateralism may also cause increased tension and/or hostilities between nations, which could negatively impact the global economy and financial markets. In addition, there are currently further geopolitical risks around Russia's invasion of Ukraine which could impact the UK economy, in particular by pushing up energy and oil prices and increasing inflation further;
- Climate change risks which could result in material damage to the Group's customers' property or businesses or have a material impact on the Group's customers' business models under a transition to a low carbon economy; and
- Social unrest as a result of severe economic disruption.

Adverse changes in the credit quality of the Group's borrowers or counterparties or a general deterioration in UK economic conditions could reduce the recoverability and value of the Group's assets and require an increase in its level of provisions for expected credit losses. There can be no assurance that the Group will not have to increase its provisions for loan losses in the future as a result of increases in non-performing loans or for other reasons beyond its control. For example, for 2020, the Group recognised net provisions of £448 million relating to the COVID-19 pandemic (as described further below under the risk factor entitled "*The COVID-19 pandemic*"); although £212 million of provisions have since been released, there is no assurance that should the COVID-19 pandemic worsen or as a consequence of other events or circumstances, the Group may have to increase provisions again. Material increases in the Group's provision for loan losses and write-off or charge-offs have had and could again have a material adverse effect on the Group's operations, financial condition and prospects. Any significant reduction in the demand for the Group's products and services, a sustained downturn in the UK economy, further reduction in central bank interest rates could have a material adverse effect on the Group's operations, financial condition and prospects.

Inflation rose in 2021, partly driven by supply chain disruptions and increasing energy prices. Monetary policy in the UK remains highly accommodative, increasing the risk that more abrupt action by the Monetary Policy Committee will be necessary later if the increase in inflation does not prove transitory. Inflation may be driven by supply chain disruptions and labour shortages, the imposition of further restrictions on movement due to the COVID-19 pandemic and structural changes in the UK economy following Brexit.

Economic instability and downturns beyond the UK may also impact the UK economy as a whole. Disruption and volatility in the global financial markets, for example following Russia's invasion of Ukraine, could have a material adverse effect on the Group, including the Group's ability to access capital and liquidity on financial terms acceptable to the Group, which could have a material adverse effect on the Group's operations, financial condition and prospects.

A recessionary economic environment could also lead to rating downgrades affecting the UK, the Group or its customers, investments and/or instruments, causing capital impacts due to increased risk weighted assets ("RWAs"), an increase in the volatility of wholesale markets and the cost of funding.

The COVID-19 pandemic

The COVID-19 pandemic has caused, and continues to have the potential to cause, social disruption and a material economic downturn in the UK and globally. Macroeconomic expectations are that its effects will be long lasting with the level and speed of economic recovery still uncertain. The COVID-19 pandemic has had a material adverse effect on the Group's operations and income, and could continue to have a material adverse effect on the Group's operations, income, financial condition and prospects depending on a number of factors which remain uncertain at this point (such factors may include further waves of infection, further variants of the COVID-19 virus, the lasting effects of vaccines, the global roll out of vaccination programmes, the percentage of vaccinated population, possible further lockdowns or other restrictions and the speed and stability of the economic recovery, amongst others). To the extent the COVID-19 pandemic continues to adversely affect the UK or global economy and/or the Group, it may also have the effect of increasing the likelihood and/or magnitude of other risks described herein or may pose other risks which are not presently known to the Group's or not currently expected to be significant to the Group's business, operations or financial performance.

In response to the COVID-19 pandemic, the Group deployed working from home capabilities and adapted some of its key processes and working areas, such as branches and call centres, to the working requirements under lockdown. The Group faced operational challenges arising from this deployment, including those presented by the unavailability of personnel and the changes in normal operating procedures, which put pressure on internal controls. The Group has been and may continue to be adversely affected by disruptions to its infrastructure, business processes and technology services and increased operational risks due to cyber security threats and fraud. See also, the risk factor entitled "*The Group's business is subject to risks related to cyber crime*". As COVID-19 restrictions have been eased, working practices are under ongoing review to allow improved controls, better remote working and flexibility, to comply with any COVID-19 minimisation measures on-site, and to be able to provide testing, cater for self-isolating needs and to allow a swift response to any new lockdown measures, while gradually returning to the office, all of which may lead to increased costs or further business disruption.

Like other jurisdictions, the UK government and the Bank of England (the "**BoE**") launched measures to provide financial support to parts of the economy most impacted by the COVID-19 pandemic. The success of these measures (for example, lower interest rates, extensive central bank lending, extension of effective dates for regulatory changes, suspension of winding up petitions and rent arrear demands, business lending schemes, payment holidays and furlough measures) to reactivate the economy and support households and businesses has helped to limit damage to the economy. A significant number of the Group's customers have made use of these business lending schemes and payment holidays.

However, risks remain around the strength of the recovery of the economy and the impact this could have on businesses affected by supply disruption, trading issues and higher input prices. The end of these measures may have an effect on levels of business insolvencies or unemployment.

The ongoing impact of the COVID-19 pandemic (such as the end of the furlough and lending schemes, higher infection rates through the winter months possibly triggering new lockdowns and/or business closures in the UK or globally as discussed above) on the Group's retail and corporate customers' income, profitability and prospects could significantly affect their ability to service and repay their loans. The Group's credit impairment charges have consequently increased as the Group's new credit scenarios, and the weights applied to those scenarios, under IFRS 9 reflect a range of potential economic outcomes due to the COVID-19 pandemic. These scenarios capture a range of recovery paths for the UK economy, reflecting the uncertain environment caused by the COVID-19 pandemic, including the impact of the UK

government responses. These scenarios have been weighted to the downside to reflect the longer path to recovery for the UK.

The Group transferred £3.1 billion corporate Stage 1 loans into Stage 2 lifetime expected credit loss ("**ECL**") and £0.4 billion of corporate Stage 2 loans to Stage 3 ECL following contact with customers regarding possible concessions, review of the existing judgement perimeter and categorisation of sectors as "Low, Medium or High Risk" based on the Standard Industrial Classification (SIC) codes for 31 December 2021 reporting.

The assumptions and economic forecasts used in these scenarios, and the weights applied to them, are reviewed every quarter to ensure they remain in line with the most recent data and reflective of current circumstances and consensus views. As such those assumptions and economic forecasts may require further reviewing if the COVID-19 pandemic prolongs or worsens and depending on the effects of phasing out of government support mitigating measures or reinstatement of such measures, as well as any further impacts on the global economy, international markets and in relation to specific business sectors, which may suffer worse losses than others or have a much slower recovery. The impact of the outbreak on the long-term prospects of businesses in some sectors is expected to be material and may lead to significant ECL charges on specific exposures, which may not be fully captured by ECL modelling techniques. Models are, by their nature, imperfect and incomplete representations of reality because they rely on assumptions and inputs, and so they may be subject to errors affecting the accuracy of their outputs and/or misused. This may be exacerbated when dealing with unprecedented scenarios, due to the lack of historical reference points and data. In the case of the COVID-19 pandemic, there are no precedents to model and forecast the effects of the COVID-19 pandemic and the related containment measures and financial support schemes in the medium and long term which has required an increased degree of expert judgment in the ECL modelling techniques.

The UK's withdrawal from the European Union ("Brexit") could have a material adverse effect on the Group's operations, financial condition and prospects

On 31 January 2020 the UK ceased to be a member of the EU on withdrawal terms which established a transition period until 31 December 2020, during which the UK continued to be treated as an EU member state and applicable EU legislation continued to be in force (the "**Transition Period**"). A trade deal was agreed between the UK and the EU prior to the end of the Transition Period and new regulations came into force on 1 January 2021.

The trade deal, however, did not include agreements on certain areas such as financial services and data adequacy. As a result, the Group has, and will continue to have, a limited ability to provide cross-border services to EU customers and to trade with EU counterparties. The wider impact of Brexit on financial markets through market fragmentation, reduced access to finance and funding, and a lack of access to certain financial market infrastructure, may affect the Group's operations, financial condition and prospects and those of its customers.

Uncertainty also remains around the effect of Brexit on the UK's economic recovery from the COVID-19 pandemic, as Brexit has exacerbated global pandemic-related supply and labour market constraints and reduced economic output and exports as businesses attempt to adapt to the new cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers and suppliers.

While the longer-term effects of the UK's withdrawal from the EU are difficult to assess, there is ongoing political and economic uncertainty such as increased friction with the EU and EU countries, the possibility of a second referendum on Scottish independence from the UK and instability in Northern Ireland derived from the UK proposal to replace the current Northern Ireland protocol agreed with the EU, which could negatively affect the Group's customers and counterparties and have a material adverse effect on the Group's operations, financial condition and prospects.

The Group faces risks from the impact of climate change, which could materially affect the Group's reputation, business operations, clients and customers, as well as the creditworthiness of its counterparties

Climate risk is a risk that manifests through other principal risks, primarily enterprise risk, credit risk and operational risk. Climate change could expose the Group to financial risk either through its physical (e.g., climate or weather-related events) or transitional (e.g., changes in climate policy or in the regulation of financial institutions with respect to climate change risks) effects. Transition risks could be further accelerated by the occurrence of changes in the physical climate.

Physical risks from climate change arise from climate and weather-related events, such as heatwaves, droughts, floods, landslides, storms, sea level rise, coastal erosion and subsidence. These risks could lead to damage to our customers' property or operations, which could impair asset values and the creditworthiness of customers leading to increased default rates, delinquencies, write-offs and impairment charges in the Group's portfolios. In addition, the Group's premises and resilience may also suffer physical damage due to weather-related events leading to increased costs for Santander UK.

Transition risks arise from the process of adjustment towards a low-carbon economy. The Group may face significant and rapid developments in stakeholder expectations, policy, law and regulation which could impact the lending activities the Group undertakes, as well as the risks associated with its lending portfolios, and the value of the Group's financial assets. Reputation risk could arise from a failure to meet changing societal, investor or regulatory demands. See also the risk factor below entitled "*The Group is subject to substantial and evolving regulation and governmental oversight – Climate Change*".

The Issuer is a founding member of the UN-convened Net Zero Banking Alliance committing Santander UK to set and disclose decarbonisation targets for most greenhouse gas intensive sectors and has committed to becoming a net zero bank by 2050. In order to reach these ambitions and targets or any other climate related ambitions or targets the Group may commit to in future, the Group will need to incorporate climate considerations into its strategy, business model, the products and services it provides to customers and its financial and non-financial risk management processes (including processes to measure and manage the various financial and non-financial risks the Group faces as a result of climate change). Failure to adequately embed risks associated with climate change into its risk framework to appropriately measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or failure to adapt the Group's strategy and business model to the changing regulatory requirements and market expectations on a timely basis may have a material and adverse impact on the Group's level of business growth, competitiveness, profitability, capital requirements, cost of funding, and financial condition.

Business Model Risks

The Group is exposed to competition from other financial institutions, including new entrants into the financial services sector

The markets for UK financial services are very competitive and the Group has seen strong competition from banks, building societies and other established financial service providers. In addition, the Group faces competition from a number of new entrants, non-banks and other providers, including technology companies and large retail companies with strong brand recognition.

The UK government and regulators are actively supporting the emergence of new entrants into the UK financial services market. The internet and mobile technologies are also changing customer behaviour and the competitive environment. There has been a steep rise in customer use of mobile banking in recent years and COVID-19 accelerated the strong trends towards customer digital adoption. The Group is investing in a multi-year transformation programme, including digitalisation of channels and services and

automation of physical channels, to both meet customer preferences and protect its competitive position. There can be no assurance that the transformation programme will deliver the benefits sought from it.

Management expects such competition to continue or intensify as a result of customer behaviour and trends, technological changes, competitor behaviour, the growth in digital banking, new lending models and changes in regulation (including the introduction of Open Banking and changes arising from the Second Payment Services Directive (“PSD2”). As a result of any restructuring or evolution in the market, there may emerge one or more new viable competitors in the UK banking market or a material strengthening of one or more of the Group’s existing competitors in that market, limiting the Group’s ability to increase its customer base and expand its operations, increasing competition for investment opportunities and potentially reducing the Group’s market share.

Any of these competition-related factors or a combination thereof could result in a significant reduction in the profit of the Group. The Group gives consideration to the competitive position in its management actions, such as pricing, product decisions and the Group’s business model. Increasing competition could mean that the Group increases rates offered on deposits or lowers the rates it charges on loans, or changes its cost base, any of which could have a material adverse effect on its operations, financial condition and prospects.

The Group’s ability to maintain its competitive position depends, in part, on the success of new products and services it offers its customers and its ability to continue offering products and services from third parties

The success of the Group’s operations and its profitability depends, in part, on the success of new products and services it offers to customers and the way in which it offers and provides its products and services. The increasing availability of a wide range of digital or online products and services for customers requires banks like the Group to enhance their offerings in order to retain and attract customers. However, the Group cannot guarantee that its new products and services or the way in which it offers or provides its products and services will meet the needs or preferences of the Group’s customers which may change over time, and such changes may render the Group’s products and services obsolete, outdated or unattractive, and the Group may not be able to develop new products that meet its customers’ changing needs in a timely manner. As the Group expands the range of its products and services, some of which may be at an early stage of development in the UK market, it will be exposed to known, new and potentially increasingly complex risks, including conduct risk, and development expenses. The Group’s employees and risk management systems, as well as its experience and that of its partners, may not be sufficient or adequate to enable it to properly handle or manage such risks. In addition, the cost of developing products that are not launched is likely to affect its operating results.

Any or all of the above factors, individually or collectively, could have a material adverse effect on the Group’s operations, financial condition and prospects.

The Group’s loan portfolio is subject to risk of prepayment

The Group’s loan portfolio is subject to prepayment risk resulting from the ability of a borrower or issuer to prepay a debt obligation prior to maturity. Generally, in a low interest rate environment, prepayment activity increases, which reduces the weighted average lives of the Group’s interest earning assets and could have a material adverse effect on the Group’s operations, financial condition and prospects.

As a result the Group could be required to amortise net premiums into income over a shorter period of time, thereby reducing the corresponding asset yield and net interest income and there is a risk that the Group is not able to accurately forecast amortisation schedules for these purposes which may affect its profitability. Prepayment risk also has a significant adverse impact on credit card and mortgage loans, since prepayments could shorten the weighted average life of these assets, which may result in a

mismatch with the Group's funding obligations and reinvestment at lower yields. The risk of prepayment and its impact on the Group's ability to accurately forecast amortisation schedules is inherent in the Group's commercial activity and an increase in prepayments or a failure to accurately forecast amortisation schedules could have a material adverse effect on the Group's operations, financial condition and prospects.

Damage to the Group's reputation could cause harm to its business prospects

Maintaining a positive reputation is critical to attracting and retaining customers, investors and employees and conducting business transactions with counterparties. Damage to the reputation of the Group or Banco Santander, S.A. (as the ultimate parent of the Group), the reputation of affiliates operating under the "Santander" brand or any of its other brands could therefore cause significant harm to the Group's business and prospects. Harm to the Group's reputation can arise directly or indirectly from numerous sources, including, among others, employee misconduct (including the possibility of employee fraud), litigation, regulatory interventions and enforcement action, failure to deliver minimum standards of service and quality, loss or compromise of customer data, disruption to service due to a cyber-attack, wider IT failures such as the IT outage experienced on 15 May 2021 which temporarily impacted the Group's operations and customers, compliance failures, third party fraud, financial crime, breach of legal or regulatory requirements, unethical behaviour (including adopting inappropriate sales and trading practices), and the activities of customers, suppliers and counterparties and the perception of the financial services industry as a whole. Further, negative publicity regarding the Group, whether true or not, may result in harm to the Group's operations, financial condition and prospects.

If the Group is unable to manage the growth of its operations, this could have a material adverse impact on its profitability

The Group allocates management and planning resources to develop strategic plans for organic growth, and to identify possible acquisitions and disposals and areas for restructuring its businesses when necessary. From time to time, the Group evaluates acquisition, disposal, and partnership opportunities that it believes could offer additional value to its shareholders and customers and are consistent with its business strategy. However, the Group may not be able to identify suitable acquisition or partnership candidates and may not be able to acquire promising targets or form partnerships on favourable terms, or at all. Furthermore, preparations for acquisitions that the Group does not complete can be disruptive. The Group bases its assessment of potential acquisitions and partnerships on limited and potentially inexact information and on assumptions with respect to value, operations, profitability and other matters that may prove to be incorrect. The Group's ability to benefit from any such acquisitions and partnerships will depend in part on its successful integration of those businesses. Such integration entails significant risks such as challenges in retaining the customers and employees of the acquired businesses, unforeseen difficulties in integrating operations and systems and unexpected liabilities or contingencies relating to the acquired businesses, including legal claims and regulatory investigations. Moreover, the success of the acquisition or venture will at least in part be subject to a number of political, economic and other factors that are beyond the Group's control. The Group can give no assurances that its expectations with regard to integration and synergies will materialise.

The Group cannot provide assurance that it will, in all cases, be able to manage its growth effectively or to implement its strategic growth decisions, including its ability to:

- Manage efficiently the operations and employees of expanding businesses.
- Maintain or grow its existing customer base.
- Successfully execute its strategy.

- Fully due diligence and assess the value, strengths and weaknesses of investment or acquisition candidates.
- Finance strategic opportunities, investments or acquisitions.
- Fully integrate strategic investments, or newly-established entities or acquisitions, in line with its strategy.
- Align its current information technology systems adequately with those of an enlarged group.
- Apply its risk management policy effectively to an enlarged group.

Any or all of these factors, individually or collectively, could have a material adverse effect on the Group's operations, financial condition and prospects.

Capital and Liquidity Risk

The Group is subject to regulatory capital, liquidity and leverage requirements that could limit its operations, and changes to these requirements may further limit and could have a material adverse effect on the Group's operations, financial condition and prospects

Capital Requirements Regulation and Capital Requirements Directive IV

The Group is subject to capital adequacy requirements applicable to banks and banking groups under 'retained' EU law and as adopted by the Prudential Regulation Authority ("PRA"). The Group is required to maintain a minimum ratio of Common Equity Tier 1 ("CET1") capital to risk-weighted assets, Tier 1 capital to risk-weighted assets, total capital to risk-weighted assets and Tier 1 capital to total adjusted assets for leverage monitoring purposes. Any failure by the Group to maintain such ratios above prescribed regulatory minimum levels may result in administrative actions or sanctions. These could potentially include requirements on the Group to cease all or certain lines of new business, to raise new capital resources or, in certain circumstances, a requirement for the Group's existing capital instruments (potentially including the Group's debt securities) to be subjected to bail-in or write down (for more information, see the risk factor entitled "*Legal & Regulatory Risks – The Group may become subject to the provisions of the Banking Act 2009, including bail-in and write down powers*").

The EU Capital Requirements Directive IV ("**CRD IV Directive**") and the Capital Requirements Regulation (the "**CRR**" and together with the CRD IV Directive, "**CRD IV**") implemented changes proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**") to the capital adequacy framework, known as 'Basel III' in the EU. The CRR has been amended through a series of EU regulations, including the Capital Requirements Regulation 2 (the "**CRR 2**") and the CRD IV Directive amended by the Capital Requirements Directive V (the "**CRD V Directive**"). The EUWA converted the directly applicable elements of CRD IV into UK law on 31 December 2020 and preserved existing UK law implementing the CRD IV directive.

In implementing CRD IV and the revised versions of CRD IV, the PRA has required the capital resources of UK banks to be maintained at levels which exceed the base capital requirements prescribed by CRD IV and to cover relevant risks in their business. In addition, a series of capital buffers have been established under CRD IV and PRA rules to ensure a bank can withstand a period of stress. Though the results of the PRA's 2019 stress test (the most recent exercise undertaken to set UK bank capital buffers) did not impact on the level of capital that the Group is required to hold, the PRA could, in the future, as a result of stress testing exercises and as part of the exercise of UK macro-prudential capital regulation tools, or through supervisory actions, require the Group to increase its capital resources further, which could have a material adverse effect on the Group's operations, financial condition and prospects.

Liquidity Coverage Ratio (“LCR”)

The LCR is intended to ensure that a bank maintains an adequate level of unencumbered, high quality liquid assets which can be used to offset the net cash outflows the bank could encounter under a short-term significant liquidity stress scenario. The current minimum requirement for LCR is set at 100%. The Group’s current liquidity position is in excess of the minimum requirements set by the PRA, however there can be no assurance that future changes to the applicable liquidity requirements would not have an adverse effect on the Group’s financial performance.

Leverage Ratios

The Financial Services Act 2012 (the “**FS Act**”) also provides the Financial Policy Committee (“**FPC**”) of the BoE with certain other macro-prudential tools for the management of systemic risk including quarterly setting of the countercyclical capital buffer rate and powers of direction relating to leverage ratios. All major UK banks and banking groups (including the Group) are required to hold enough Tier 1 capital (75% of which must be CET1 capital) to satisfy a minimum leverage ratio requirement of 3.25% and enough CET1 capital to satisfy a countercyclical leverage ratio buffer of 35% of each bank’s institution-specific countercyclical capital buffer rate. The PRA require UK globally systemically important banks (“**G-SIBs**”) and ring fenced bodies to hold enough CET1 capital to meet an additional leverage ratio buffer of 35% of the institution-specific G-SIB buffer rate or Other Systemically Important Institutions (“**O-SII**”) buffer rate following the implementation of the CRD V Directive on 28 December 2020 (previously the Systemic Risk Buffer (“**SRB**”) rate), and for consolidated groups which include a Ring Fenced Body (as defined in FSMA) to hold enough CET1 capital to meet the Additional Leverage Ratio Buffer (“**ALRB**”). The FPC can also direct the PRA to adjust capital requirements in relation to particular sectors through the imposition of sectoral capital requirements. Action taken in the future by the FPC in exercise of any of its powers could result in the regulatory capital requirements applied to the Group being further increased, which could have a material adverse effect on the Group’s operations, financial condition and prospects.

Further Regulatory Changes

Regulators in the UK and worldwide have proposed that additional loss absorbency requirements should be applied to systemically important institutions to ensure that there is sufficient loss absorbing and recapitalisation capacity available in resolution. The BoE is required to set the Minimum Requirement for Eligible Liabilities (“**MREL**”) for all institutions. The BoE expects banks to have complied with end-state MREL requirements by 1 January 2022. This was the case for the Group.

The UK implementation of the elements of CRR2, which include revisions to the leverage ratio, counterparty risk capital requirements and the net stable funding ratio (“**NSFR**”), occurred on 1 January 2022.

In addition to the above, regulators in the UK have produced a range of proposals for future legislative and regulatory changes which could force the Group to comply with certain operational restrictions or take steps to raise further capital, or could increase the Group’s expenses and could have a material adverse effect on the Group’s operations, financial condition and prospects. These changes, which could affect the Group as a whole, include the UK implementation of the Basel Committee’s new market risk framework, which reflects rules made as a result of the Basel Committee’s fundamental review of the trading book. In addition, in December 2017 the Basel Committee published their final version of the Basel III framework, with proposed implementation from 1 January 2022. This includes the following elements:

- Revisions to the standardised approach for credit risk, credit valuation adjustment risk and operational risk to address certain weaknesses identified by the Basel Committee;

- Additional constraints on the use of internal model approaches for credit risk, and removing the use of internal model approaches for credit valuation adjustment risk and operational risk;
- The use of an output floor based on standardised approaches; and
- The introduction of a leverage ratio buffer for global systemically important banks and refinements to the definition of the leverage ratio exposure measure.

The Basel Committee delayed the proposed implementation date of these revised rules to 1 January 2023. It is anticipated that the PRA will publish a consultation paper in 2022 on the UK implementation of these rules and the proposed implementation date in the UK.

There is a risk that changes to the UK's capital adequacy regime (including any increase to minimum leverage ratios) may result in increased minimum capital requirements, which could reduce available capital for new business purposes and adversely affect the Group's cost of funding, profitability and ability to pay dividends, continued organic growth (including increased lending), or pursue acquisitions or other strategic opportunities. Alternatively, the Group could be required to restructure its balance sheet to reduce the capital charges incurred pursuant to the PRA's rules in relation to the assets held, or raise additional capital but at increased cost and subject to prevailing market conditions. In addition, changes to the eligibility criteria for Tier 1 and Tier 2 capital may affect the Group's ability to raise Tier 1 and Tier 2 capital and impact the recognition of existing Tier 1 and Tier 2 capital resources in the calculation of the Group's capital position. Furthermore, increased capital requirements may negatively affect the Group's return on equity and other financial performance indicators.

The Group's business could be affected if its capital is not managed effectively or if these measures limit the Group's ability to manage its balance sheet and capital resources effectively or to access funding on commercially acceptable terms. Effective management of the Group's capital position is important to the Group's ability to operate its business, to continue to grow organically and to pursue its business strategy. There is a risk that implementing and maintaining existing and new liquidity requirements, such as through enhanced liquidity risk management systems, may incur significant costs, and more stringent requirements to hold liquid assets may materially affect the Group's lending business as more funds may be required to acquire or maintain a liquidity buffer, thereby reducing future profitability. This could in turn adversely impact the Group's operations, financial condition and prospects.

Liquidity and funding risks are inherent in the Group's business and could have a material adverse effect on the Group's operations, financial condition and prospects

Liquidity risk is the risk that the Group either does not have available sufficient financial resources to meet its obligations as they fall due or can secure them only at excessive cost. This risk is inherent in any retail and commercial banking business and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. While the Group maintains a liquid asset buffer and implements liquidity management processes to seek to control these risks, in particular, unforeseen systemic market factors like those experienced during the last financial crisis make it difficult to eliminate these risks completely. There can be no assurance that such circumstances will not reoccur. Extreme liquidity constraints may affect the Group's operations and its ability to fulfil regulatory liquidity requirements, as well as limit growth possibilities. Disruption and volatility in the global financial markets, could have a material adverse effect on the Group's ability to access capital and liquidity on financial terms acceptable to it. A sudden or unexpected shortage of funds in the banking system could threaten the stability of the banking system, and lead to increased funding costs, a reduction in the term of funding instruments or require the Group to liquidate certain assets, thereby impacting the Group's liquidity position and its ability to pay its debts. If these circumstances were to arise, this could have a material adverse effect on the Group's results, operations, financial condition and prospects.

The Group's cost of funding is directly related to prevailing interest rates and to its credit spreads. Increases in interest rates and the Group's credit spreads can significantly increase the cost of its funding. Changes in the Group's credit spreads are market-driven and may be influenced by market perceptions of its creditworthiness. Changes to interest rates and the Group's credit spreads occur continuously and may be unpredictable and highly volatile.

If wholesale markets financing ceases to be available, or becomes excessively expensive, the Group may be forced to raise the rates it pays on deposits, with a view to attracting more customers, and/or to sell assets, potentially at depressed prices. The persistence or worsening of adverse market conditions, significant increases in capital markets funding costs or deposit rates could have a material adverse effect on the Group's interest margins, its cost of funding, access to liquidity and its profitability and therefore on its operations, financial condition and prospects.

In recent years the Group has also made use of central bank funding schemes such as the BoE's Term Funding Scheme. As at 31 December 2021, the Group had no outstanding drawings under the Term Funding Scheme.

In response to the COVID-19 pandemic, the BoE introduced the Term Funding Scheme with additional incentives for Small and Medium-Sized Enterprises ("**TFSME**") with similar terms to its previous Term Funding Scheme. As at 31 December 2021, the Group had drawn £31.9 billion of cash under the TFSME.

The scheme closed to new drawings in October 2021 and, like other participants, the Group will have to replace any maturing central bank funding although this will not occur until 2024. This could potentially lead to an increase in reliance on wholesale markets financing and an increase in costs due to other institutions also refinancing their maturities.

Each of the factors described above could have a material adverse effect on the Group, including its ability to access capital and liquidity on financial terms acceptable to it and, more generally, on its operations, financial condition and prospects.

Further, the Group aims for a funding structure that is consistent with its assets, avoids excessive reliance on short-term wholesale funding, attracts enduring retail and commercial deposits and provides diversification in products and tenor. The Group therefore relies, and will continue to rely, on retail and commercial deposits to fund a significant proportion of lending activities. The on-going availability of this type of funding is sensitive to a variety of factors outside the Group's control, such as general economic conditions and the confidence of depositors in the economy and in the financial services industry in general, confidence in the Group specifically, the Group's credit rating and the availability and extent of deposit guarantees, as well as competition between banks for deposits or competition with other products, such as mutual funds or, if launched, central bank digital currency. A change in any of these factors could significantly increase the amount of commercial deposit withdrawals in a short period of time, thereby reducing its ability to access deposit funding on appropriate terms, or at all, in the future, and therefore have a material adverse effect on the Group's operations, financial condition and prospects.

The Group's liquidity planning assumes that customers will continue to make a volume of deposits with the Group (particularly demand deposits and short-term time deposits), and the Group intends to maintain its emphasis on the use of deposits as a source of funds. The short-term nature of some deposits could cause liquidity problems for the Group in the future if deposits are not made in the volumes anticipated or are withdrawn at short notice or are not renewed. If a substantial number of depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, there may be a material adverse effect on the Group's operations, financial condition and prospects.

An adverse movement in the Group's external credit rating would likely increase its cost of funding, require the Group to post additional collateral or take other actions under some of its derivative contracts and adversely affect the Group's operations, financial condition and prospects

Credit ratings affect the cost and other terms upon which the Group is able to obtain funding. Credit rating agencies regularly evaluate the Group, and their credit ratings of the Group and the Group's issued debt are based on a number of factors, including the Group's financial strength, the strength of the UK economy and conditions affecting the financial services industry generally.

Any downgrade in the external credit ratings assigned to the Group or any of the Group's debt securities could have an adverse impact on the Group. In particular, a downgrade in the Group's credit ratings could increase its borrowing costs and could require it to post additional collateral or take other actions under some of derivatives, loan facilities or other financial contracts, and could limit its access to capital markets and have a material adverse effect on its operations, financial condition and prospects. For example, a credit rating downgrade could have a material adverse effect on the Group's ability to sell or market certain products, engage in certain longer-term or derivatives transactions and retain its customers or investors, particularly those who need a minimum rating threshold in order to transact or invest.

Any of these results of a credit rating downgrade could, in turn, result in outflows and reduce the Group's liquidity and have an adverse effect on the Group, including its operations, financial condition and prospects. For example, the Group estimates that at 31 December 2021, if Fitch, Moody's and S&P were concurrently to downgrade the long-term credit ratings of Santander UK plc by one notch, and thereby trigger a short-term credit rating downgrade, this could result in an outflow of £0.5 billion of cash and collateral. A hypothetical two notch downgrade would result in a further outflow of £0.8 billion of cash and collateral at 31 December 2021. Under the LCR the Group holds sufficient liquidity to cover these potential outflows. However, while certain potential impacts are contractual and quantifiable, the full consequences of a credit rating downgrade are inherently uncertain, as they depend upon numerous dynamic, complex and inter-related factors and assumptions, including market conditions at the time of any downgrade, whether any downgrade of a firm's long-term credit rating precipitates downgrades to its short-term credit rating, whether any downgrade precipitates changes to the way that the financial institutions sector is rated, and assumptions about the ratings of other financial institutions and the potential behaviours of various customers, investors and counterparties. Actual outflows will also depend upon certain other factors including any management or restructuring actions that could be taken to reduce cash outflows and the potential liquidity impact from a loss of unsecured funding (such as from money market funds) or loss of secured funding capacity.

There can be no assurance that the credit rating agencies will maintain the Group's current credit ratings or outlooks. A failure to maintain favourable credit ratings or outlooks could increase the Group's cost of funding, adversely affect the Group's interest margins, and reduce its ability to secure both long-term and short-term funding. If a downgrade of a Group member's long-term credit ratings were to occur, it could also impact the short-term credit ratings of other members of the Group. The occurrence of any of these events could have a material adverse effect on the Group's operations, financial condition and prospects.

Negative changes to the UK sovereign credit rating, or the perception that further negative changes may occur, could have a material adverse effect on the Group's operations, financial condition, prospects and the marketability and trading value of its securities. This might also have an impact on the Group's own credit rating, borrowing costs and ability to secure funding. Negative changes to the UK sovereign credit rating, or the perception that further negative changes may occur, could also have a material effect in depressing consumer confidence, restricting the availability, and increasing the cost, of funding for individuals and companies, further depressing economic activity, increasing unemployment and reducing

asset prices, which could in turn have a material adverse effect on the Group's operations, financial condition and prospects.

Changes in the Group's pension liabilities and obligations could have a materially adverse effect on the Group's operations, financial condition and prospects

The majority of current employees are provided with pension benefits through defined contribution arrangements. Under these arrangements the Group's obligation is limited to the cash contributions paid. The Group provides retirement benefits for many of its former and current employees in the UK through a number of defined benefit pension schemes established under trust. Santander UK plc is the principal employer under the majority of these schemes, but it has only limited control over the rate at which it pays into such schemes. Under the UK statutory pension funding requirements employers are usually required to contribute to the schemes at the rate they agree with the scheme trustees although, if they cannot agree, the rate can be set by The Pensions Regulator. The scheme trustees may, in the course of discussions about future valuations, seek higher employer contributions. The scheme trustees' power in relation to the payment of pension contributions depends on the terms of the trust deed and rules governing the pension schemes, but, in some cases, the scheme trustees may have the unilateral right to set the employer's relevant contribution.

The Pensions Regulator has the power to issue a financial support direction to companies within a group in respect of the liability of employers participating in the UK defined benefit pension schemes where that employer is a service company or is otherwise 'insufficiently resourced' (as defined for the purposes of the relevant legislation). As some of the employers within the Group are service companies, if The Pensions Regulator determines that they have become insufficiently resourced and no suitable mitigating action is undertaken, other companies within the Group which are connected with or an associate of those employers are at risk of a financial support direction in respect of those employers' liabilities to the defined benefit pension schemes in circumstances where The Pensions Regulator properly considers it reasonable to issue one. Such a financial support direction could require the companies to guarantee or provide security for the pension liabilities of those employers or could require additional amounts to be paid into the relevant pension schemes in respect of them.

The Pensions Regulator can also issue contribution notices if it is of the opinion that an employer has taken actions, or failed to take actions, deliberately designed to avoid meeting its pension promises or which are materially detrimental to the scheme's ability to meet its pension promises. A contribution notice can be issued to any company or individual that is connected with or an associate of such employer in circumstances where The Pensions Regulator considers it reasonable to issue it and multiple notices could be issued to connected companies or individuals for the full amount of the debt. The risk of a contribution notice being imposed may inhibit the Group's freedom to restructure or to undertake certain corporate activities. There is a risk that the Group could incur an obligation to make a contribution to the scheme by virtue of section 75 or 75A of the Pensions Act 1995 as a result of a reorganisation or disposal of the Group's businesses.

Should the value of assets to liabilities in respect of the defined benefit schemes operated by the Group record a deficit or an increased deficit (as appropriate), due to either a reduction in the value of the pension fund assets (depending on the performance of financial markets) not matched by a fall in the pension fund liabilities and/or an increase in the scheme liabilities not matched by an increase in the pension fund assets due to changes in legislation, mortality assumptions, discount rate assumptions, inflation, or other factors, or there is a change in the actual or perceived strength of the employer's covenant, this could result in the Group having to make increased contributions to reduce or satisfy the deficits which would divert resources from use in other areas of its business and reduce its capital resources. Inflation in particular poses a significant risk to the pension fund as liabilities would be adversely impacted by an increase in long-term inflation. While the Group can control a number of the

above factors, there are some over which the Group has no or limited control. Although the trustees of the defined benefit pension schemes are obliged to consult with the Group before changing the pension schemes' investment strategy, the trustees have the final say and ultimate responsibility for investment strategy rests with them.

Changes in UK legislation and regulation including through the Pension Schemes Act 2021 to address perceived failings in pension protection following recent high profile company insolvencies with large pension deficits may also affect the Group's position. Specific areas where concerns have been raised are levels of dividends where there is a pension scheme with a deficit and the length of time taken to address deficits. These changes in legislation or regulation could result in the Group having to make increased contributions to reduce or satisfy the deficits which would divert resources from use in other areas of its business and reduce its capital resources.

The defined benefit schemes have material investments in illiquid assets, primarily unlisted credit, private equity and property. The value of these investments can only be known when they are realised. The value in the accounts is an estimate of the fair value of these investments but the final realised value could be materially different and if less than the value used could result in the Group having to make increased contributions to reduce or satisfy resulting deficits which, as above, would divert resources from use in other areas of the business and reduce its capital resources.

Any increase in the Group's pension liabilities and obligations as a result of the foregoing factors could have a material adverse effect on the Group's operations, financial conditions and prospects.

Market Risks

The Group's financial results are constantly exposed to market risk. The Group is subject to fluctuations in interest rates and other market risks, which could have a material adverse effect on the Group's operations, financial condition and prospects

Market risk refers to the probability of variations in the Group's net interest income or in the market value of its assets and liabilities due to volatility of interest rates, credit spreads, exchange rates or equity prices.

Changes in interest rates would affect the following areas, among others, of the Group's business:

- Net interest income
- The value of the Group's derivatives transactions
- The market value of the Group's securities holdings
- The value of the Group's loans and deposits
- The volume of loans originated

Interest rates are highly sensitive to many factors beyond the Group's control, including increased regulation of the financial sector, inflation, monetary policies, domestic and international economic and political conditions and other factors. Variations in interest rates could affect the interest earned on the Group's assets and the interest paid on its borrowings, thereby affecting its net interest income, which comprises the majority of its revenue, reducing its growth rate and profitability and potentially resulting in losses. In addition, costs the Group incurs putting into place strategies to reduce interest rate exposure could increase in the future, which could have a material adverse effect on the Group's operations, financial condition and prospects.

Increases in interest rates may reduce the volume of loans originated by the Group. Sustained high interest rates have historically discouraged customers from borrowing and have resulted in increased

delinquencies in outstanding loans and deterioration in the quality of assets. Increases in interest rates may also reduce the propensity of the Group's customers to prepay or refinance fixed-rate loans, reduce the value of its financial assets and reduce gains or require the Group to record losses on sales of the Group's loans or securities, which could have a material adverse effect on the Group's operations, financial condition and prospects.

Due to the historically low interest rate environment in the UK in recent years, the rates on many of the Group's interest-bearing deposit products have been priced at or near zero. This may limit the Group's ability to further reduce customer rates in the event of further cuts in the BoE base rate putting pressure on the Group's margins and profitability. If a generally low interest rate environment in the UK persists in the long term, it may be difficult to increase the Group's net interest income, which could have a material adverse effect on the Group's operations, financial condition and prospects.

The Group is exposed to risks relating to the integrity and continued existence of reference rates

On 29 November 2017, the FCA announced that a Working Group on Sterling Risk-Free Rates was to be mandated with implementing a broad-based transition to Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets, so that SONIA would be established as the primary sterling interest rate benchmark. In March 2021, the FCA confirmed that all LIBOR settings, in their current format, would cease:

- immediately after 31 December 2021, in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar settings; and
- immediately after 30 June 2023, in the case of the remaining US dollar settings (i.e. overnight, 1-month, 3-month, 6-month and 12-month).

Subsequently, the FCA has exercised its powers under the UK Benchmarks Regulation to define and require the publication of 'synthetic' sterling (and Japanese yen) LIBOR at least until the end of 2022 and outlined its permitted uses. In addition, the Critical Benchmarks (References and Administrators' Liability) Act 2021 has substituted such 'synthetic' LIBOR for references to LIBOR in English, Scots and Northern Irish law governed contracts that have not otherwise transitioned to an alternative rate.

In 2021, the majority of the Group's affected legacy contracts were transitioned from the LIBOR rates ceasing at the end of 2021. Where contracts were not able to be transitioned however, the FCA exercising its powers under the UK Benchmarks Regulation and the implementation of the Critical Benchmarks (References and Administrators' Liability) Act 2021 have enabled a smoother transition of sterling denominated 'tough legacy' contracts into 2022. Nevertheless, the publication of 'synthetic' sterling LIBOR beyond the end of 2022 is not guaranteed and the FCA is yet to announce whether it will require the publication of 'synthetic' USD LIBOR rates after the cessation of the remaining USD LIBOR tenors after 30 June 2023).

The transition of LIBOR based contracts has been complex and involved a range of risks (including legal, conduct, system, model, accounting and reputational risks). Changes to, or the replacement of, benchmarks may cause contracts in which they are used to perform differently than in the past or may have other consequential effects. In particular, the transition of contracts from GBP LIBOR to an alternative reference rate (such as SONIA or the BoE base rate) typically involved an adjustment to the terms of financial contracts to which the Group is a party. Whilst the Group has taken steps to manage these risks, there can be no assurance that these risks will not crystallise. This could have a material adverse effect on the Group's operations, financial condition, and prospects.

The Group's most significant exposures are to GBP LIBOR, and mainly represent derivatives transacted to hedge its balance sheet risks, corporate loans and medium-term funding. The estimated value of loans

and customer derivatives for which transition was not agreed before the end of 2021 was just under £2.1 billion (for non-USD LIBOR which is currently expected to cease after 30 June 2023).

Market conditions have resulted in, and could continue to result in, material changes to the estimated fair values of the Group's financial assets. Negative changes in positions recorded at fair value could have a material adverse effect on the Group's operations, financial condition and prospects

The Group has material exposures to securities, loans, derivatives and other investments that are recorded at fair value and are therefore exposed to potential negative market changes. A widening of market credit spreads, reflecting the prevailing market conditions would negatively impact asset valuations in future periods and may result in negative changes in the fair values of the Group's financial assets. A tightening of the Group's own credit spreads would increase the magnitude of liabilities, thereby reducing net assets.

In addition, the value ultimately realised by the Group on disposal of assets and liabilities recorded at fair value may be lower than their current fair value; for example, during the last global financial crisis, financial markets were subject to periods of significant stress resulting in steep falls in perceived or actual financial asset values, particularly due to volatility in global financial markets and the resulting widening of credit spreads.

The Group is also exposed to changes in the market value of credit and funding spreads for the valuation of certain derivative contracts, the estimated value of which is negatively exposed to increases in the Credit Valuation Adjustment ("**CVA**") spread and the Funding Fair Valuation Adjustment ("**FFVA**") spread over the lifetime of the transaction.

Any of these factors could require the Group to record negative changes in fair value, which could have a material adverse effect on its operations, financial condition and prospects.

The Group is also exposed to changes in UK residential house price index levels, future index growth assumptions and house price index volatility. These impact the valuations of the portfolios of home reversion plans, lifetime mortgages and associated hedges held by the Group. In addition, the home reversion assets and mortgages are exposed to any changes in underlying mortality assumptions as maturity dates on these are not fixed and are driven by the vacation of the underlying property on a permanent basis by the plan holder. Specific property risk exists for each individual asset versus the indexed growth assumption at the point of maturity. Lifetime mortgages additionally have prepayment risk which is managed via a FFVA based on historic data.

In addition, to the extent that fair values are determined using financial valuation models, such values may be inaccurate or subject to change, as the data used by such models may not be available or may become unavailable due to changes in market conditions, particularly for illiquid assets and in times of economic instability. In such circumstances, the Group's valuation methodologies require it to make assumptions, judgments and estimates in order to establish fair value.

Reliable assumptions are difficult to make and are inherently uncertain. Moreover, valuation models are complex, making them inherently imperfect predictors of actual results. Any consequential impairments or write-downs could have a material adverse effect on the Group's operations, financial condition and prospects.

The Group invests in debt securities of the UK government largely for liquidity management purposes. At 31 December 2021, approximately 7% of the Group's total assets and 6% of the Group's securities portfolio were comprised of debt securities issued by the UK government. Any failure by the UK government to make timely payments under the terms of these securities, or a significant decrease in their

market value, could have a material adverse effect on the Group's operations, financial condition and prospects.

Credit Risk

If the level of non-performing loans increases or the credit quality of the Group's loans deteriorates in the future, or if the Group's loan loss reserves are insufficient to cover loan losses, this could have a material adverse effect on the Group's operations, financial condition and prospects

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Group's businesses. Non-performing or low credit quality loans have in the past, and could continue to have, a material adverse effect on the Group's operations, financial condition and prospects.

In particular, the amount of the Group's reported non-performing loans may increase in the future as a result of growth in the Group's total loan portfolio, including as a result of loan portfolios that the Group may acquire in the future (the credit quality of which may turn out to be worse than the Group had anticipated), or factors beyond the Group's control, such as adverse changes in the credit quality of the Group's borrowers and counterparties, a general deterioration in the UK or global economic conditions, the impact of political events, events affecting certain industries or events affecting financial markets and global economies. Broader inflationary pressures that impact a customer's ability to service debt payments could also lead to increased arrears in both unsecured and secured products.

There can be no assurance that the Group will be able to effectively control the level of impaired loans in, or the credit quality of, its total loan portfolio, which could have a material adverse effect on the Group's operations, financial condition and prospects.

Interest rates payable on a significant portion of the Group's outstanding mortgage loan products fluctuate over time due to, among other factors, changes in the BoE base rate. As a result, borrowers with variable interest rate mortgage loans are exposed to increased monthly payments when the related mortgage interest rate adjusts upward. Similarly, borrowers of mortgage loans with fixed or introductory rates adjusting to variable rates after an initial period are exposed to the risk of increased monthly payments at the end of this period. Over the last few years both variable and fixed interest rates have been at historically low levels, which has benefited borrowers of new loans and those repaying existing variable rate loans regardless of special or introductory rates. Future increases in borrowers' required monthly payments may result in higher delinquency rates and losses related to non-performing loans in the future. Borrowers seeking to avoid these increased monthly payments by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. These events, alone or in combination, may contribute to higher delinquency rates and losses for the Group, which could have a material adverse effect on the Group's operations, financial condition and prospects.

The Group's current loan loss reserves may not be adequate to cover an increase in the amount of non-performing loans or any future deterioration in the overall credit quality of the Group's total loan portfolio. The Group's loan loss reserves are based on the Group's current assessment of various factors affecting the quality of its loan portfolio, including its borrowers' financial condition, repayment abilities, the realisable value of any collateral, the prospects for support from any guarantor, government macroeconomic policies, interest rates and the legal and regulatory environment. Many of these factors are beyond the Group's control. As a result, there is no precise method for predicting loan and credit losses, and no assurance can be provided that the Group's current or future loan loss reserves will be sufficient to cover actual losses.

If the Group's assessment of and expectations concerning the above mentioned factors differ from actual developments the Group may need to increase its loan loss reserves, which may adversely affect the Group's operations, financial condition and prospects. Additionally, in calculating its loan loss reserves, the Group employs qualitative tools and statistical models which may not be reliable in all circumstances and which are dependent upon data that may not be complete. If the Group is unable to control or reduce the level of its non-performing or poor credit quality loans, this could have a material adverse effect on the Group's operations, financial condition and prospects.

The value of the collateral, including real estate, securing the Group's loans may not be sufficient, and the Group may be unable to realise the full value of the collateral securing the Group's loan portfolio

The value of the collateral securing the Group's loan portfolio may significantly fluctuate or decline due to factors beyond the Group's control, including macroeconomic factors affecting the UK's economy. The Group's residential mortgage loan portfolio is one of its principal assets, comprising 84.2% of the Group's loan portfolio at 31 December 2021. As a result, the Group is highly exposed to developments in the residential property market in the UK.

House price growth strengthened over the second half of 2020 and into 2021 as a result of pent up demand during the first COVID-19 lockdown in the UK together with the stimulus provided by temporary changes in stamp duty; however, there is a level of uncertainty in the outlook for house prices in 2022 as these effects subside. The depth of the previous house price declines as well as the continuing uncertainty as to the extent and sustainability of the UK economic downturn and recovery will mean that losses could be incurred on loans should they go into possession.

The value of the collateral securing the Group's loan portfolio may also be adversely affected by force majeure events such as natural disasters like floods or landslides exacerbated by climate change trends. Any force majeure event may cause widespread damage and could have an adverse impact on the economy of the affected region and may therefore impair the asset quality of the Group's loan portfolio in that area.

The Group may also not have sufficiently up-to-date information on the value of collateral, which may result in an inaccurate assessment for impairment losses on loans secured by such collateral.

If any of the above events were to occur, the Group may need to make additional provisions to cover actual impairment losses of its loans, which could have a material adverse effect on the Group's operations, financial condition and prospects.

Legal & Regulatory Risks

The Group is subject to substantial and evolving regulation and governmental oversight

As a financial services group, the Group is subject to extensive financial services laws, regulations, administrative actions and policies in the UK and in each other location in which the Group operates. For a discussion of the principal laws and regulations to which the Group is subject, see "*Regulation of the Group*". The sector continues to face unprecedented levels of government and regulatory intervention and scrutiny, and changes to the regulations governing financial institutions and the conduct of business. In addition, regulatory and governmental authorities have continued to consider further enhanced or new legal or regulatory requirements intended to reduce the probability and impact of future crises (or otherwise assure the stability of institutions under their supervision), enhance consumer protection, address climate change risks and improve controls in relation to financial crime-related risks. The Group expects regulatory and government intervention in the banking sector to remain high for the foreseeable future. An intensive approach to supervision is maintained in the UK by the PRA, the Lending Standards

Board ("**LSB**"), the FCA, the Payment Systems Regulator ("**PSR**") and the Competition and Markets Authority ("**CMA**").

As well as being subject to UK regulation, as part of the Banco Santander Group, the Group is also affected by other regulators such as the Banco de España (the "**Bank of Spain**") and the European Central Bank ("**ECB**"), as well as various legal and regulatory regimes (including the United States of America (the "**U.S.**")) that have extra-territorial effect. Extensive legislation and implementing regulations affecting the financial services industry have recently been adopted in regions that directly or indirectly affect the Group's business, including Spain, the U.S., the EU and other jurisdictions.

The manner in which financial services laws, regulations and policies are applied to the operations of financial institutions has gone through great change which is still being implemented and reviewed. Recent proposals and measures taken by governmental, tax and regulatory authorities and further future changes in supervision and regulation (in particular in the UK), are beyond the Group's control and could materially affect the Group's business.

Changes in UK legislation and regulation applicable to the financial sector may also affect the Group's competitive position, particularly if such changes are implemented before international consensus is reached on key issues affecting the industry.

To the extent these laws, regulations and policies apply to it, the Group may face higher compliance costs. The Group may lack the capacity to readily respond to multiple regulatory or government policy changes simultaneously. Any legislative or regulatory actions and any required changes to the Group's business operations resulting from such laws, regulations and policies as well as any deficiencies in the Group's compliance with such laws, regulations and policies could result in significant loss of revenue, could have an impact on the Group's strategy, limit its ability to pursue business opportunities in which the Group might otherwise consider engaging, limit the Group's ability to provide certain products and services and result in enforcement action and the imposition of financial and other penalties. They may also affect the value of assets that the Group holds, requiring the Group to increase its prices thereby reducing demand for the Group's products or otherwise have a material adverse effect on its operations, financial condition and prospects. Accordingly, there can be no assurance that future changes in laws, regulations and policies or in their interpretation or application by the Group or by regulatory authorities will not adversely affect the Group.

Specific examples of areas where regulatory changes and increased regulatory scrutiny could have a material adverse effect on the Group's operations, financial condition and prospects include, but are not limited to, the following:

Banking Reform

In accordance with the provisions of the Financial Services (Banking Reform) Act 2013 UK banking groups that hold significant retail deposits, including the Group, were required to separate or 'ring-fence' their retail banking activities from their wholesale banking activities by 1 January 2019. The Group completed its ring-fencing plans in advance of the legislative deadline of 1 January 2019. However, given the complexity of the ring-fencing regulatory regime and the material impact on the way the Group conducts its business operations in the UK, there is a risk that the Group and/or Santander UK plc may be found to be in breach of one or more ring-fencing requirements. This might occur, for example, if prohibited business activities are found to be taking place within the ring-fence, mandated retail banking activities are found being carried on in a UK entity outside the ring-fenced part of the Group or the Group breached a PRA ring-fencing rule. If the Group were found to be in breach of any of the ring-fencing requirements placed upon it under the ring-fencing regime, it could be subject to supervisory or enforcement action by the PRA, the consequences of which might include substantial financial penalties, imposition of a suspension or restriction on the Group's UK activities or, in the most serious of cases,

forced restructuring of the UK group, entitling the PRA (subject to the consent of the UK government) to require the sale of a Santander ring-fenced bank or other parts of the Group.

Competition

Reviews and investigations by competition authorities (which in the UK include the CMA, the FCA and the PSR) into any aspect of the Group's operations or the functioning of any markets in which the Group operates.

Payments

The Group has been required to make systems changes and update processes to comply with a number of new payment regulations at a European as well as domestic UK level. Within the UK, the Payment Systems Regulator has mandated the Group to build systems and processes for both Confirmation of Payee as well as the Contingent Reimbursement Model Code ("**CRM**") which both aim to reduce the level of customer fraud (particularly through the Group's customers' manipulation into making payments known as "Authorised Push Payment" fraud). Under these standards, the Group assumes responsibility for certain categories of customer losses and any inherent failing in system design may lead to fines from regulators and/or compensation being paid to customers. The Group also expects to see significant developments in the key UK payment systems architecture - with a systems update of the high value Clearing House Automated Payment System ("**CHAPS**") system through the Real Time Gross Settlement ("**RTGS**") renewal as well as the "New Payments Architecture" for faster payments, BACS and the other lower value retail payment schemes. PSD2 has been implemented within the UK and the UK continues to build upon the requirements within the EBA Regulatory Technical Standards via the Open Banking API industry standard and build. Open Banking and PSD2 both have shown that they have the potential to exacerbate a number of existing risks including data loss/data protection, cyber security, fraud and wider financial crime risk, which in turn could give rise to increased costs, litigation risk and risk of regulatory investigation and enforcement activity. The Group has also adapted systems and pricing to comply with other European regulations – including the Second Cross Border Payments Regulation which has required the Group to reduce prices for the majority of EEA currency payments in line with the price of their domestic equivalents.

Data Privacy

Failure to comply with emerging and current laws and regulations concerning data privacy and localisation in a number of jurisdictions across the globe may result in regulatory sanctions. In particular, the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**"), including the GDPR as it forms part of UK domestic law by virtue of the EUWA (the "**UK GDPR**"), and the Data Protection Act 2018 (the "**DPA**") imposes obligations on data controllers and rights for data subjects. The implementation of the UK GDPR and DPA has required substantial amendments to the Group's procedures and policies. The changes have had, and could continue to have, an adverse impact on the Group's business by increasing its operational and compliance costs. If there are breaches of UK GDPR and DPA obligations, the Group could face significant administrative and monetary sanctions as well as reputational damage. The occurrence of any of these events could have a material adverse effect on the Group's operations, financial condition and prospects.

Moreover, the Department for Culture Media and Sport (the "**DCMS**") has recently issued a consultation in relation to proposed reforms of UK data protection legislation. Some proposed reforms, such as the requirement to implement a privacy management programme may result in a further increase in compliance and operational costs, if implemented. The proposed changes may also pose a risk to the EU Commission's adequacy finding in respect of the UK, as the UK's data protection laws may no longer be considered to be essentially equivalent to those of the EU, which would impact data flows from the EU to the UK.

Electronic marketing

For the purposes of the Privacy and Electronic Communications Regulations 2003 the Group relies on legitimate interests ("LI") and not consent as a lawful basis for its marketing activity (an opt-out model, rather than an opt-in model). This model limits the Group to marketing its own similar products and services only to its own customers who have not opted out of marketing. This model therefore prevents the marketing by the Group of other Santander group companies' products and services by electronic means. This may put the Group at a competitive disadvantage. It is proposed to move from an LI to a consent model in the near future. There will be legal and regulatory risks associated with this transition, as well as systems updates costs to operationalise.

Consumer duty

In response to a requirement introduced into the FSMA, the FCA continues to consult on a broad consumer duty that firms undertaking regulated activities with retail clients should observe. The FCA is proposing that the consumer duty has three elements: A consumer principle that provides a high-level expectation of conduct, a set of overarching Cross-cutting Rules which develop and amplify the standards of conduct that the FCA expects under the consumer principle and a suite of rules and guidance setting more detailed expectations for a firm's conduct according to the four specific outcomes that represent the key elements of the firm and its consumer relationships (communications, products and services, price and value and customer service). The first consultation on the structure of the proposed consumer duty closed on 31 July 2021. A second consultation paper on the proposed text for the new rules and guidance was published on 7 December 2021 and closed on 15 February 2022. Final rules are expected to be set out in a policy statement to be published by 31 July 2022 and it is expected that firms will have until 30 April, 2023 to implement the proposals. Whilst the scope of the consumer duty is not yet final, it is likely to require a review of, and potentially changes to, the Group's products, services, policies, systems and procedures against the requirements of the consumer duty. It is not yet clear how the consumer duty will operate in relation to existing principles, rules and guidance in the FCA Handbook. It may affect elements of the Group's business model and strategy, the products and services it offers and the pricing or costs of those products and services, which may in turn affect the revenue and profits that the Group is able to generate. It may result in an increase in civil litigation or claims to the Financial Ombudsman Service by customers alleging a breach of the consumer duty or in regulatory action by the FCA.

Insolvency

Changes to the UK corporate insolvency regime were introduced through the Corporate Insolvency and Governance Act 2020, including a pre insolvency moratorium process for corporates in financial difficulty to give a period of time to seek a rescue or restructure and a new restructuring plan insolvency procedure to enable debt restructures. The Finance Act 2020 re-established certain tax debts owed by corporates as secondary preferential debts, ranking ahead of debts owed to floating charge holders. The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (which came into force on 4 May 2021) gives eligible individuals in England and Wales the ability to apply for a breathing space or mental health crisis moratorium during which creditors may not demand payment of interest or fees that accrue, or enforce a debt owed by the applicant. The impact these changes will have in relation to the collection and recovery of loans to retail and corporate customers who are in financial difficulty or default continues to evolve.

Outsourcing and Third Party Risk Management

In March 2021, the PRA published Supervisory Statement 2/21 on outsourcing and third party risk management (SS2/21). The PRA has stated that SS2/21 should be the primary source of reference for the Group when interpreting and complying with its requirements on outsourcing and third-party risk

management. SS2/21 should be read alongside the European Banking Authority ("**EBA**") guidelines on outsourcing arrangements, which remain applicable and effective. A major development is that the scope of contracts which should meet the PRA requirements on outsourcing and third-party risk management has increased beyond that set out in the EBA guidelines on outsourcing. The PRA states that it expects material third-party agreements that are not outsourcing to be subject to controls that are as robust as the controls that would apply to outsourcing arrangements with an equivalent level of materiality. Also in March 2021, the PRA published Supervisory Statement 1/21 (SS1/21) which sets out its expectations for the operational resilience of the Group's 'important business services'. These services that a PRA regulated firm provides which, if disrupted, could pose a risk to that firm's safety and soundness or, the financial stability of the UK. The Group is required to identify and set impact tolerances for all its important business services which must, in all cases, include a time-based metric to measure the tolerable level of disruption to that important business service. The Group must ensure it is able to deliver its important business services within impact tolerances in severe but plausible scenarios. The PRA expects the Group to develop and implement effective remediation plans for the important business services that would not be able to remain within its impact tolerance. Any outsourcing agreements entered into on or after 31 March 2021 must meet the requirements in SS2/21, as these must be compliant by 31 March 2022. Legacy agreements entered into before 31 March 2021 need to be reviewed and updated at the first appropriate contractual revision or renewal, on or after 31 March 2022. The Group's procurement teams are currently leading a contracts remediation project, which is designed to achieve compliance with SS2/21. If the Group is unable to meet the PRA's requirements on outsourcing and third-party risk management then it may face supervisory measures, which could in turn have a material adverse effect on the Group's operations, financial condition and prospects.

Climate Change

The UK government has announced its intention to roll out new sustainability disclosure requirements, which will expand on those required under the Taskforce on Climate-related Financial Disclosures (the "**TCFD**") framework, including transition plans to align to net-zero, as well as a new UK green taxonomy. The Group is implementing the recommendations of TCFD: further reporting will require additional gathering of data and operationalisation of reporting and there will be legal, reputational and regulatory risks should the Group fail to adequately report, or to demonstrate appropriate capabilities to transition and support its customers to transition to a low carbon economy.

Evolving conduct and regulatory policy

The CMA is seeking enhanced consumer protection powers, and is considering policy issues that may impact financial services, for example 'loyalty penalties' and the impact of digitalisation on consumer outcomes. There is the potential that the CMA and FCA take different stances on certain policy issues in these spheres.

The Group may become subject to the provisions of the Banking Act 2009, including bail-in and write down powers

The special resolution regime set out in the Banking Act 2009 (the "**Banking Act**") provides HM Treasury, the BoE, the PRA and the FCA with a variety of powers for dealing with UK deposit taking institutions (and, in certain circumstances, their holding companies) that are failing or likely to fail, including: (i) to take a bank or bank holding company into temporary public ownership; (ii) to transfer all or part of the business of a bank to a private sector purchaser; or (iii) to transfer all or part of the business of a bank to a 'bridge bank'. The special resolution regime also comprises a separate insolvency procedure and administration procedure each of which is of specific application to banks. These insolvency and administration measures may be invoked prior to the point at which an application for insolvency proceedings with respect to a relevant institution could be made.

If an instrument or order were made under the Banking Act in respect of an entity in the Group, such instrument or order (as the case may be) may, among other things: (i) result in a compulsory transfer of shares or other securities or property of such entity; (ii) have an impact on the rights of the holders of shares or other securities issued by the Group or such entity or result in the nullification or modification of the terms and conditions of such shares or securities; or (iii) result in the de-listing of the shares and/or other securities of such entity. In addition, such an order may affect matters in respect of the Group or such entity and/or other aspects of the shares or other securities of the Group or such entity, which may negatively affect the ability of the Group or such entity to meet its obligations in respect of such shares or securities.

Further, amendments to the Insolvency Act 1986 and secondary legislation have introduced changes to the treatment and ranking of certain debts with the result that certain eligible deposits will rank in priority to the claims of ordinary (i.e. non-preferred) unsecured creditors in the event of an insolvency. This may negatively affect the ability of unsecured creditors to recover sums due to them in an insolvency scenario.

If a "bail-in" order were made under the Banking Act as amended by The Financial Services (Banking Reform) Act 2013 (see further "*Regulation of the Group – The Banking Act 2009*"), such an order would be based on the principle that any creditors affected by the "bail-in" order should receive no less favourable treatment than they would have received had the bank entered into insolvency immediately before the coming into effect of the bail-in power. The bail-in power includes the power to cancel or write down (in whole or in part) certain liabilities or to modify the terms of certain contracts for the purposes of reducing or deferring the liabilities of a bank under resolution and the power to convert certain liabilities into shares (or other instruments of ownership) of the bank. The bail-in power under the Banking Act may potentially be exercised in respect of any unsecured debt securities issued by a bank under resolution or an entity in the Group, regardless of when they were issued. Accordingly, the bail-in power under the Banking Act could be exercised in respect of the Group's debt securities. Public financial support would only be used as a last resort, if at all, after having assessed and utilised, to the maximum extent practicable, the resolution tools including the bail-in tool and the occurrence of circumstances in which bail-in powers would need to be exercised in respect of the Group or any entity in the Group would have a material adverse effect on the Group's operations, financial condition and prospects.

The PRA also has the power to make rules requiring a parent undertaking of a bank to make arrangements to facilitate the exercise of resolution powers, including a power to require a member of a banking group to issue debt instruments. The exercise of such powers could have an impact on the liquidity of the Group's debt instruments and could materially increase the Group's cost of funding.

In addition, the EU Bank Recovery and Resolution Directive ("**BRRD**") provides for resolution authorities to have the power to require institutions and groups to make structural changes to ensure legal and operational separation of 'critical functions' from other functions where necessary, or to require institutions to limit or cease existing or proposed activities in certain circumstances. As a result of changes to the PRA Rulebook made to implement the BRRD, the Group is now required to identify such 'critical functions' as part of its resolution and recovery planning. If used in respect of the Group, these ex ante powers could have a material adverse effect on the Group's operations, financial condition and prospects.

The Group must comply with anti-money laundering, anti-terrorism, anti-bribery and corruption, sanctions and anti-tax evasion laws and regulations and a failure to prevent or detect any illegal or improper activities fully or on a timely basis could have a material adverse effect on the Group's operations, financial condition or prospects

The Group is required to comply with applicable anti-money laundering ("**AML**"), counter-terrorism financing ("**CTF**"), anti-bribery and corruption, sanctions, anti-tax evasion and other laws and regulations in the jurisdictions in which the Group operates. These laws and regulations require the Group, among other things, to conduct customer due diligence (including in respect of sanctions and politically-exposed

person screening), ensure account and transaction information is kept up to date and implement effective financial crime policies and procedures detailing what is required from those responsible in order to counter financial crime risks. The policies and procedures require the implementation and embedding of effective controls and monitoring within the businesses of the Group, which in turn requires ongoing changes to systems, technology and operational activities.

The Group is also required to conduct financial crime training for its staff and to report suspicious transactions and activity to appropriate law enforcement. Comprehensive and risk based financial crime training at a group-wide and business unit level is a key element of effective controls, with the FCA providing guidance on expectations within its Financial Crime Guide. Financial crime is continually evolving. This requires proactive and adaptable responses from the Group so that it is able to deter, detect and disrupt threats and criminality effectively. Even known threats can never be fully eliminated, and there will be instances where the Group may be used by other parties to engage in money laundering and other illegal or improper activities. The Group staff, whom the Group rely heavily upon to identify such activities and report them, have varying degrees of experience in recognising criminal tactics, making effective bank-wide mandatory and specialist training provided by the Group Anti-Financial Crime Academy more pertinent.

Where the Group outsources any of its customer due diligence, customer screening or anti-financial crime operations, it remains responsible and accountable for full compliance and any breaches. If the Group is unable to apply the necessary scrutiny and oversight, or if such oversight proves insufficient to detect illegal or improper activities, there remains a risk of regulatory breach and this could have a material adverse effect on its operations, financial condition and prospects.

Over the last decade, AML, CTF, anti-bribery and corruption and sanctions laws and regulations have become, and may continue to become, increasingly complex and detailed. Consequently, financial crime risk has become, the subject of enhanced regulatory scrutiny and supervision by regulators globally, and such scrutiny continues to intensify. To manage regulatory scrutiny, the Group requires improved systems, sophisticated monitoring and skilled compliance personnel. Navigating the increasing complexity of financial crime regulation is a significant challenge, involving overlapping requirements between different legislation, and, in some instances, conflicts of laws. The divergence of policy approaches between the EU, UK and U.S. in the area of financial sanctions is one such obstacle.

UK AML and CTF legislation continues to change (for instance through regular updates to the UK's list of third countries identified as high-risk countries) which can lead to substantial amendments to the Group's AML and CTF procedures and policies, with additional training and guidance required for employees. Further such amendments will be required going forward to reflect changes to UK laws and government policy following the end of July 2021 twin-track consultation on the effectiveness and content of the UK's AML regulations post-Brexit. While there are opportunities to increase effectiveness and efficiency in the overall anti-financial crime system, there are also risks of legislative and regulatory divergence from EU requirements. Significant change could adversely impact the Group's business by increasing its operational and compliance costs and reducing the value of its assets and operations, which would in turn have a material adverse effect on the Group's operations, financial condition and prospects.

If the Group is unable to fully comply with applicable laws, regulations and expectations, its regulators and relevant law enforcement agencies have the ability and authority to pursue civil and criminal proceedings against it, to impose significant fines and other penalties on it, including requiring a complete review of the Group's business systems, day-to-day supervision by external consultants, imposing restrictions on the conduct of the Group's business and operations and ultimately the revocation of the Group's banking licence. The reputational damage to its business and brand could be severe if the Group was found to have materially breached AML, CTF, anti-bribery and corruption, anti-tax evasion or sanctions requirements. The Group's reputation could also suffer if it were unable to protect its customers or its

business from being used by criminals for illegal or improper purposes. Criminal penalties could be imposed upon individuals employed by the Group. Any of these outcomes could have a material adverse effect on the Group's operations, financial condition and prospects.

At an operational level, geo-political, economic and social changes can provide opportunities to financial criminals and alter the risks posed to banks. Effective intelligence and monitoring systems within strengthened public/private partnerships to share knowledge on emerging risks are required to help manage these risks. However, there can be no guarantee that any intelligence shared by public authorities or other financial institutions will be accurate or effective in helping the Group to combat financial crime, and if, despite such efforts, the Group fails to combat financial crime effectively then this could have a material adverse effect on the Group's operations, financial condition and prospects.

In addition, while the Group reviews its relevant counterparties' internal policies and procedures (for example, under its correspondent banking relationships) with respect to such matters, the Group, to a large degree, depends upon its relevant counterparties to maintain and properly apply their own appropriate anti-financial crime procedures. Such measures, procedures and compliance may not be completely effective in preventing third parties from using its (and its relevant counterparties') services as a conduit for money laundering (including illegal cash operations) without its (or its relevant counterparties') knowledge. There are also risks that other third parties, such as suppliers, could be involved in financial crime. If the Group is associated with, or even accused of being associated with, financial crime (or a business involved in financial crime), then its reputation could suffer and it could become subject to civil or criminal proceedings that could result in penalties, sanctions and legal enforcement (including being added to "black lists" that would prohibit certain parties from engaging in transactions with it), any one of which could have a material adverse effect on the Group's operations, financial condition and prospects.

The Group is subject to tax-related risks

The Group is subject to the substance and interpretation of UK tax laws and is subject to routine review and audit by tax authorities in relation thereto. The Group's interpretation or application of these tax laws may differ from those of the relevant tax authorities. While the Group provides for potential tax liabilities that may arise on the basis of the amounts expected to be paid to the tax authorities, the amounts ultimately paid may differ materially from the amounts provided depending on the ultimate resolution of such matters. In general, changes to tax laws and tax rates, including as a result of policy changes by governments and/or regulators, and penalties for failing to comply with such changes, could have a material adverse effect on the Group's operations, financial condition and prospects. Some of these changes may be specific to the banking/financial services sectors and therefore result in the Group incurring an additional tax burden when compared to other industry sectors.

The Group is exposed to risk of loss and damage from civil litigation and/or criminal legal and regulatory proceedings

The Group faces various legal and regulatory issues that have given rise and may give rise to civil or criminal litigation, arbitration, and/or criminal, tax, administrative and/or regulatory investigations, inquiries or proceedings. Failure to adequately manage the risks arising in connection with legal and regulatory issues, including the Group's obligations under existing applicable laws and regulations or its contractual obligations, including arrangements with its customers and suppliers, or failure to properly implement applicable laws and regulations could result in significant loss or damage including reputational damage, all of which could have a material adverse effect on the Group's operations, financial condition and prospects.

Additionally, the current regulatory environment, with the continuing heightened supervisory focus, combined with the forthcoming regulatory change initiatives, will lead to material operational and compliance costs. Relevant risks include:

- Regulators, agencies and authorities with jurisdiction over the Group, including the BoE, the PRA and the FCA, HM Treasury, HM Revenue & Customs ("**HMRC**"), the CMA, the Commission, the Information Commissioner's Office, the Financial Ombudsman Service ("**FOS**"), the PSR, the Serious Fraud Office ("**SFO**"), the National Crime Agency ("**NCA**"), the Office of Financial Sanctions ("**OFSI**") or the Courts, may determine that certain aspects of the Group's business have not been or are not being conducted in compliance with applicable laws or regulations (or that policies and procedures are inadequate to ensure compliance), or, in the case of the FOS, with what is fair and reasonable in the FOS's opinion. Changes in policy, laws and regulations including in relation to Small and Medium Sized Enterprises ("**SME**") dispute resolution and liability for authorised push payment fraud and unauthorised payment fraud, may have significant consequences and lead to material implementation, operational and compliance costs.
- An adverse finding by a regulator, agency or authority could result in the need for extensive changes in systems and controls, business policies, and practices coupled with suspension of sales, restrictions on conduct of business and operations, withdrawal of services, customer redress, fines and reputational damage.
- The increased focus on competition law in financial services and concurrent competition enforcement powers for the FCA and PSR may increase the likelihood of competition law related inquiries or investigations initiated by either the CMA or these authorities. In addition, the CMA's widening focus on market outcomes may result in increased reviews by the CMA of the markets in which the Group operates. The Group may be liable for damages to third parties harmed by the Group's conduct of business. For competition law, there are efforts by governments across Europe to promote private enforcement as a means of obtaining redress for harm suffered as a result of competition law breaches. Under the Consumer Rights Act 2015, there is scope for class actions to be used to allow the claims of a whole class of claimants to be heard in a single action in both follow-on and standalone competition cases.
- The alleged historical or current misselling of, or misconduct in relation to, financial products, such as mortgages, arising from causes such as the alleged overcharging of interest, the alleged inappropriate sale of interest-only mortgages and the alleged unfair use of the standard variable rate and Payment Protection Insurance ("**PPI**"), including as a result of having sales practices and/or rewards structures that are deemed to have been inappropriate, has given rise to and may in the future give rise to a risk of civil litigation (including claims management company driven legal campaigns). Such matters may in the future give rise to the risk of regulatory enforcement action requiring the Group to amend sales processes, withdraw products or provide restitution to affected customers, any of which may require additional provisions to be recorded in the Group's financial statements and could adversely impact future revenues from affected products. For example, Santander Cards UK Limited (a former GE Capital Corporation entity and distributor of pre-2005 PPI known as GE Capital Bank Limited which was acquired by Banco Santander S.A. in 2008 and subsequently transferred to Santander UK plc) and a Banco Santander S.A. subsidiary Santander Insurance Services UK Limited are involved in a dispute with AXA France IARD and AXA France Vie relating to alleged PPI mis-selling.
- The Group may have held and may continue to hold bank accounts for entities or have relationships with entities such as third parties that might be or are subject to scrutiny from various regulators and authorities, including the SFO, the NCA and regulators in the U.S. and elsewhere,

which has led and could in the future lead to the Group's conduct being reviewed as part of any such scrutiny.

- The Group is (and will continue from time to time to be) subject to certain legal or regulatory investigations, inquiries and proceedings, both civil and criminal including in connection with the Group's lending and payment activities, treatment of customers, relationships with the Group's employees, financial crime, and other commercial or tax matters. These may be brought against the Group under UK legal or regulatory processes, or under legal or regulatory processes in other jurisdictions, such as the EU and the U.S., in circumstances where overseas regulators and authorities may have jurisdiction by virtue of its activities or operations. For example, the Group is subject to an on-going criminal and tax investigation by the Cologne Prosecution Office and the German Federal Tax Office in relation to historical involvement in German dividend tax arbitrage transactions, as well as an on-going civil regulatory investigation by the FCA in relation to compliance with the Money Laundering Regulations 2007 and potential breaches primarily during the period 2012 to 2017 of FCA principles and rules relating to anti-money laundering and financial crime systems and controls.
- In view of the inherent difficulty of predicting the outcome of legal or regulatory proceedings, particularly where opportunistic claimants seek very large or indeterminate damages, cases present novel legal theories, involve a large number of parties or are in the early stages of discovery, or where the approaches of regulators or authorities to legal or regulatory issues and sanctions applied are subject to change, the Group cannot state with confidence what the eventual outcome of any pending matters will be and any such pending matters are not disclosed by name because they are under assessment. The Group's provisions in respect of any pending legal or regulatory proceedings are made in accordance with relevant accounting requirements. These provisions are reviewed periodically. However, in light of the uncertainties involved in such legal or regulatory proceedings, there can be no assurance that the ultimate resolution of these matters will not exceed the provisions currently accrued by the Group. As a result, the outcome of a particular matter (whether currently provided or otherwise) could have a material adverse effect on the Group's operations, financial condition and prospects.
- The developing legal and regulatory regime in which the Group operates requires it to be compliant across all aspects of its business, including the training, authorisation and supervision of personnel and the development of systems, processes and documentation. If the Group fails to be compliant with relevant law or regulation, there is a risk of an adverse impact on its business from more proactive regulatory intervention (including by any overseas regulator which establishes jurisdiction), investigation and enforcement activity leading to sanctions, fines, civil or criminal penalties, or other action imposed by or agreed with the regulatory authorities, as well as increased costs associated with responding to regulatory inquiries and defending regulatory actions. Customers of financial services institutions, including the Group's customers, may seek redress if they consider that they have suffered loss for example as a result of the mis-selling of a particular product, or through incorrect application or enforcement of the terms and conditions of a particular product or in connection with a competition law infringement and the Group's rights under a contract with its customers may in certain circumstances be unenforceable or otherwise impaired.
- The Financial Services and Markets Act 2000 (Designated Consumer Bodies) Order 2013 (the "**Designated Consumer Bodies Order**") was made on 16 December 2013 and came into force on 1 January 2014. The Designated Consumer Bodies Order designates the National Association of Citizens Advice Bureaux, the Consumers' Association, the General Consumer Council for Northern Ireland and the National Federation of Self Employed and Small Businesses as consumer bodies that may submit a 'super-complaint' to the FCA. A 'super-complaint' is a

complaint made by any of these designated consumer bodies to the FCA on behalf of consumers of financial services where it considers that a feature, or a combination of features, of the market for financial services in the UK is seriously damaging the interests of these customers. Complaints about damage to the interests of individual consumers will continue to be dealt with by the FOS. If a 'super-complaint' were to be made against a Group entity by a designated consumer body under the Designated Consumer Bodies Order, any response published or action taken by the FCA could have a material adverse effect on the Group's operations, financial condition and prospects.

- Given the: (i) requirement for compliance with an increasing volume of relevant laws and regulations; (ii) more proactive regulatory intervention and enforcement and more punitive sanctions and penalties for infringement; (iii) inherent unpredictability of litigation; (iv) evolution of the jurisdiction of FOS and CMA and related impacts; (v) development of a voluntary dispute resolution service to oversee the resolution of historic complaints from SMEs that meet the relevant eligibility criteria and new complaints from SMEs that would be outside the FOS' proposed revised jurisdiction; (vi) introduction of a voluntary code to enhance protection for customers who are victims of authorised push payment fraud; and (vii) high volume of new regulations or policy changes from multiple regulators and authorities which the Group is mandated to implement within compressed timescales; it is possible that related costs or liabilities could have a material adverse effect on the Group's operations, financial condition and prospects.

Operational Risks

Failure to successfully apply or to improve the Group's credit risk management systems could have a material adverse effect on the Group's operations, financial condition and prospects

As a commercial banking group, one of the main types of risks inherent in the Group's business is credit risk. For example, an important feature of the Group's credit risk management system is to employ the Group's own credit rating system to assess the particular risk profile of a customer. This system is primarily generated internally, but, in the case of counterparties with a global presence, also builds off the credit assessment assigned by other Banco Santander Group members. As this process involves detailed analysis of the customer or credit risk, taking into account both quantitative and qualitative factors, it is subject to human and IT systems errors. In exercising their judgment on current or future credit risk behaviour of the Group's customers, the Group's employees may not always be able to assign a correct credit rating, which may result in a larger exposure to higher credit risks than indicated by the Group's risk rating system. The Group may not be able to detect all possible risks before they occur, or its employees may not be able to effectively apply its credit policies and guidelines due to limited tools available to the Group, which may increase its credit risk.

Any failure to effectively apply, consistently monitor and refine the Group's credit risk management systems may result in an increase in the level of non-performing loans and higher losses than expected, which could have a material adverse effect on the Group's operations, financial condition and prospects.

The Group's data management policies and processes may not be sufficiently robust

Critical business processes across the Group rely on large volumes of data from a number of different systems and sources. If data governance (including data retention and deletion, data quality and data architecture policies and procedures) is not sufficiently robust, manual intervention, adjustments and reconciliations may be required to reduce the risk of error in the Group's external reports or in reporting to senior management or regulators. Inadequate policies and processes may also affect the Group's ability to use data to service customers more effectively or to improve the Group's product offering. The Group must also comply with requirements under law or regulation which require classification of customers, counterparties, financial transactions or instruments. The Group must also comply with the requirements

under law or regulation in respect of the use and protection of customer data and must mitigate the risk of any misuse or loss of data owing to failure of a data management process or an employee breach.

Financial institutions that fail to comply with in-country (local) and global regulatory and compliance requirements may face supervisory measures, which could in turn have a material adverse effect on the Group's operations, financial condition and prospects.

The Group's business is subject to risks related to cyber-crime

The Group's systems, software and networks may be vulnerable to unauthorised access, misuse, computer viruses or other malicious code and other events that could have a security impact. The interception, misuse or mishandling of personal, confidential or proprietary information sent to or received from a client, vendor, service provider, counterparty or third party could result in legal liability, regulatory action and reputational harm, and therefore have a material adverse effect on the Group's operations, financial condition and prospects.

In particular, in recent years the computer systems of companies and organisations have been targeted by cyber criminals, activists and nation-state-sponsored groups. Like other financial institutions, the Group manages and holds confidential personal information of customers in the conduct of its banking operations, as well as a large number of assets. Consequently, the Group has been, and continues to be, subject to a range of cyber-attacks, such as malware, phishing and denial of service.

Cyber-attacks could result in the loss of significant amounts of customer data and other sensitive information, as well as significant levels of liquid assets (including cash). In addition, cyber-attacks could give rise to the disablement of the Group's electronic systems used to service its customers. Any material disruption or degradation of the Group's systems could cause information, including data related to customer requests, to be lost or to be delivered to the Group's clients with delays or errors, which could reduce demand for the Group's services and products. As attempted attacks continue to evolve in both scope and sophistication, the Group may incur significant costs in order to modify or enhance its protective measures against such attacks, or to investigate or remediate any vulnerability or resulting breach, or in communicating cyber-attacks to its customers. If the Group fails to effectively manage its cyber security risk, the impact could be significant and may include harm to the Group's reputation and make the Group liable for the payment of customer compensation, regulatory penalties and fines. Factors such as failing to apply critical security patches from its technology providers, to manage out obsolete technology or to update the Group's processes in response to new threats could give rise to these consequences, which, if they occur, could have a material adverse effect on the Group's operations, financial condition and prospects. This might also include significant increases in the premiums paid on cyber insurance policies or changes to policy limits and cover.

In addition, the Group may also be affected by cyber-attacks against national critical infrastructures in the UK or elsewhere, for example, the telecommunications network or cloud computing providers used by the Group. In common with other financial institutions the Group is dependent on such networks to provide digital banking services to its customers, connect its systems to suppliers and counterparties, and allow its staff to work effectively from their homes. Any cyber-attack against these networks could negatively affect its ability to service its customers. As the Group does not operate these networks it has limited ability to protect the Group's business from the adverse effects of cyber-attack against them. Further, the domestic and global financial services industry, including key financial market infrastructure, may be the target of cyber disruption and attack by cyber criminals, activists or governments looking to cause economic instability. The Group has limited ability to protect its business from the adverse effects of cyber disruption or attack against its counterparties and key national and financial market infrastructure. If such a disruption or attack were to occur it could have a material adverse effect on the Group's operations, financial condition and prospects.

The Group is exposed to risk from potential non-compliance with policies, employee misconduct, human error, negligence and deliberate acts of harm or dishonesty, including fraud

The Group is exposed to risk from potential non-compliance with policies, employee misconduct, human error, negligence and deliberate acts of harm or dishonesty, including fraud. It is not always possible to deter or prevent such errors, acts, omissions and failures and the precautions the Group takes to detect and prevent this activity may not always be effective. Any instances could result in regulatory sanctions and cause reputational or financial harm, and therefore have a material adverse effect on the Group's operations, financial condition and prospects.

Any failure to effectively manage changes in the Group's information technology infrastructure and management information systems in a timely manner could have a material adverse effect on the Group's operations, financial condition and prospects

The Group's businesses and its ability to remain competitive depends to a significant extent upon the functionality of its information technology systems and on its ability to upgrade and expand the capacity of its information technology infrastructure on a timely and cost-effective basis. The proper functioning of the Group's financial control, risk management, credit analysis and reporting, accounting, customer service, financial crime, conduct and compliance and other information technology systems, as well as the communication networks between branches and main data processing centres, are critical to its businesses and its ability to compete. Investments and improvements in the Group's information technology infrastructure are regularly required in order to remain competitive. It cannot be certain that in the future the Group will be able to maintain the level of capital expenditure necessary to support the improvement, expansion or upgrading of its information technology infrastructure as effectively as its competitors; this may result in a loss of any competitive advantages that the Group's information technology systems provide. Any failure to effectively improve, expand or upgrade its information technology infrastructure and management information systems in a timely manner could have a material adverse effect on the Group's operations, financial condition and prospects and could cause reputational damage to the Group.

In addition, incidents such as the IT outage experienced on 15 May 2021, which temporarily impacted the Group's operations and customers, require a remediation programme involving material expenses and delays to the wider information technology infrastructure upgrades and improvements programme, and attract regulatory scrutiny.

From time to time the Group is required to migrate information relating to its customers to new information technology systems. Any failure to manage such migration effectively could have a negative impact on the Group's ability to provide services to its customers and could cause reputational damage to the Group.

The Group expects its programmes of change to have an effect on its risk profile, both technological and regulatory. Whether it is the opportunities from adoption of cloud technology, systems to support important regulatory initiatives, or the desire to identify, prioritise and remove obsolete systems from operations, the operational risk associated with programmes of systems change is likely to increase and this will therefore remain an area of key focus in the Group's risk management. There can be no assurance that the Group will not suffer material losses from such operational risks in the future, including those relating to any security breaches which could have a material adverse effect on the Group's operations, financial condition and prospects.

The Group may be exposed to unidentified or unanticipated risks despite its risk management policies, procedures and methods and may be exposed to risk related to errors in the Group's risk modelling

The management of risk is an integral part of the Group's activities. The Group seeks to monitor and manage its risk exposure through a variety of risk reporting systems. While the Group employs a broad and diversified set of risk monitoring and risk mitigation techniques and strategies, they may not be fully effective in mitigating the Group's risk exposure in all economic market environments or against all types of risk, including risks that the Group fails to identify or anticipate.

Some of the Group's tools and metrics for managing risk are based upon its use of observed historical market behaviour. The Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in its statistical models. This would limit its ability to manage its risks. The Group's losses thus could be significantly greater than the historical measures indicate. In addition, the Group's quantified modelling does not take all risks into account. The Group's more qualitative approach to managing those risks could prove insufficient, exposing it to material, unanticipated losses. The Group could face adverse consequences as a result of decisions, which may lead to actions by management, based on models that include errors or are otherwise inadequately developed, implemented or used, or as a result of the modelled outcome being misunderstood. If existing or potential customers or counterparties believe its risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with the Group. These occurrences could have a material adverse effect on the Group's operations, financial condition and prospects.

The Group relies on third parties and affiliates for important infrastructure support, products and services

Third party providers and certain affiliates provide key components of the Group's business infrastructure such as loan and deposit servicing systems, back office and business process support, information technology production and support, internet connections and network access. Relying on these third party providers and affiliates is a source of operational and regulatory risk, including with respect to security breaches affecting third parties and other parties that interact with these providers. As the use and depth of the Group's relationship with these third parties and affiliates increases, including the use of cloud-based services, the Group increasingly faces the risk of operational failure with respect to its systems. The Group may be required to take steps to protect the integrity of its operational systems, thereby increasing its operational costs. In addition, any problems caused by these third parties or affiliates, including as a result of them not providing the Group their services for any reason, or performing their services poorly, could adversely affect the Group's ability to deliver products and services to customers and otherwise conduct its business, which could lead to reputational damage, litigation and regulatory investigations and intervention. Replacing these third party vendors or affiliates could also entail significant delays and expense. Further, the operational and regulatory risk the Group faces as a result of these arrangements may be increased to the extent that it restructures such arrangements. Any restructuring could involve significant expense to the Group and entail significant delivery and execution risk which could have a material adverse effect on the Group's operations, financial condition and prospects.

The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel

The Group's continued success depends in part on the continued service of key members of its senior executive team and other key employees. The ability to continue to attract, develop, train, motivate and retain highly qualified and talented professionals is a key element of the Group's strategy. The successful implementation of the Group's strategy depends on the availability of skilled and appropriate

management, both at the Group's head office and in each of its business units. There is also an increasing demand for the Group to hire individuals with digital skills such as data scientist, engineering and designer skill sets. Such individuals are very sought after by all organisations, not just the banking industry, and thus the Group's ability to attract and hire this talent will determine how quickly the bank is able to respond to technological change. If the Group fails to staff its operations appropriately, or loses one or more of its key senior executives or other key employees and fails to replace them in a satisfactory and timely manner, it could have a material adverse effect on the Group's operations, financial condition and prospects.

In addition, the financial services industry has and may continue to experience more stringent regulation of employee compensation, which could have an adverse effect on the Group's ability to hire or retain the most qualified employees. If the Group fails or is unable to attract and appropriately develop, motivate and retain qualified professionals, it could have a material adverse effect on the Group's operations, financial condition and prospects.

Financial Reporting Risk

The Group's financial statements are based in part on judgments and accounting estimates which, if inaccurate, could cause material misstatement of the Group's future financial results and financial condition.

The preparation of the consolidated financial statements requires management to make judgments and accounting estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting period. Management evaluates its judgments and accounting estimates, which are based on historical experience and on various other factors that are believed to be reasonable under the circumstances, on an ongoing basis. Actual amounts may differ from these accounting estimates under different assumptions or conditions. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

As explained in Note 1 to each of the Issuer's audited consolidated financial statements for the years ended 31 December 2021 and 31 December 2020, no significant judgments have been made in the process of applying the Group's accounting policies, other than those involving estimations about credit impairment losses, provisions and contingent liabilities, pensions and goodwill impairment. Those accounting estimates, as well as the judgments inherent within them, are considered important to the portrayal of the financial results and financial condition because: (i) they are highly susceptible to change from period to period as assumptions are made to calculate the estimates; and (ii) any significant difference between the estimated amounts and actual amounts could have a material impact on the Group's future, financial results and financial condition.

Changes in accounting standards could affect reported earnings

The accounting standard setters and other regulatory bodies periodically change the financial accounting and reporting standards that govern the preparation of the Group's consolidated financial statements. These changes can materially affect how the Group records and reports its financial condition and financial results. In some cases, the Group could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements. Any change in reported earnings as a result of the foregoing could have a material adverse effect on the Group's future financial results and financial condition.

Risks relating to the Notes

In this context the following specific risks have been identified as areas for focus:

The relevant Issuer cannot assure a trading market for the Notes will ever develop or be maintained

The relevant Issuer may issue Notes in different series with different terms in amounts that are to be determined. Such Notes may be unlisted or listed on a recognised stock exchange and there can be no assurance that an active trading market will develop for any series of Notes. There can also be no assurance regarding the ability of Noteholders to sell their Notes or the price at which such holders may be able to sell their Notes. If a trading market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price and this may result in a return that is greater or less than the interest rate on the Notes, depending on many factors, including:

- the Group's financial results;
- any change in the relevant Issuer's creditworthiness;
- the market for similar securities;
- the method of calculating the principal, premium and interest in respect of the Notes;
- the time remaining to the majority of the Notes;
- the outstanding amount of the Notes;
- the redemption features of the Notes;
- the creation of short positions in the Notes by market participants; and
- the level, direction and volatility of market interest rates generally.

In addition, certain Notes have a more limited trading market and experience more price volatility because they were designed for specific investment objectives or strategies. There may be a limited number of buyers when an investor decides to sell such Notes. This may affect the price an investor receives for such Notes or the ability of an investor to sell such Notes at all.

Risks associated with redemption of the Notes

If the Notes are redeemable at the option of the relevant Issuer (including, if applicable, following a Loss Absorption Disqualification Event or Regulatory Capital Event (if specified in the applicable Final Terms) or a Tax Event), or are otherwise subject to mandatory redemption, the relevant Issuer may (in the case of optional redemption) or must (in the case of mandatory redemption) choose to redeem such Notes at times when prevailing interest rates may be relatively low. Accordingly, an investor generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes. Furthermore, during any period when the relevant Issuer may elect to redeem Notes, or during which there is an actual or perceived increased likelihood that the relevant Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The yield to maturity of the Notes may be adversely affected by redemptions by the relevant Issuer

The yield to maturity of each class of Notes will depend mostly on: (i) the amount and timing of the repayment of principal on the Notes; and (ii) the price paid by the Noteholders of each class. The yield to maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of redemptions

on the Notes (including, if applicable, in the case of redemption following a Loss Absorption Disqualification Event, Regulatory Capital Event or Tax Event).

The Notes are subject to selling and transfer restrictions that may affect the existence and liquidity of any secondary market in the Notes

The Notes have not been, and will not be, registered under the Securities Act or any other securities laws. Accordingly, the Notes are subject to certain restrictions on the resale and other transfer thereof as set forth under “*Subscription and Sale and Transfer and Selling Restrictions*”. As a result of such restrictions, the relevant Issuer cannot be certain of the existence of a secondary market for the Notes or the liquidity of such market if one develops. Consequently, a Noteholder must be able to bear the economic risk of an investment in such Notes for an indefinite period of time.

The relevant Issuer may rely on third parties and the Noteholders may be adversely affected if such third party fails to perform their obligations

The relevant Issuer may be a party to contracts with a number of other third parties that have agreed to perform services in relation to the Notes. For example, a paying agent and the agent bank have agreed to provide payment and calculation services in connection with the Notes; and Euroclear and Clearstream, Luxembourg have in respect of Bearer Global Notes in NGN form, agreed, *inter alia*, to accept such Bearer Global Notes as eligible for settlement and to properly service the same, and to maintain up to date records in respect of the total amount outstanding of such Bearer Global Notes in NGN form. In the event that any relevant third party was to fail to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected.

Santander UK Group Holdings is a holding company and the Notes issued by it will be structurally subordinated to the claims of the creditors of its subsidiaries

Santander UK Group Holdings is a holding company that currently has no significant assets other than its investment in Santander UK and its other subsidiaries within the Group. As a holder of ordinary shares in such subsidiaries, Santander UK Group Holdings’ right to participate in the assets of its subsidiaries in the event of a liquidation of a subsidiary will be subject to the prior claims of such subsidiary’s creditors and preference shareholders. Accordingly, if any of Santander UK Group Holdings’ subsidiaries were to be wound up, liquidated or dissolved, (i) the holders of the Notes would have no right to proceed against the assets of such a subsidiary, and (ii) the liquidator of the subsidiary would first apply the assets of the subsidiary to settle the claims of the creditors of such subsidiary before Santander UK Group Holdings would be entitled to receive any distributions.

Santander UK Group Holdings’ obligation to make payments on the Notes issued by it is solely an obligation of Santander UK Group Holdings and will not be guaranteed by any of its subsidiaries.

In addition, as a holding company, Santander UK Group Holdings’ ability to make payments depends entirely upon the receipt of dividends, distributions or advances from or repayment of any amounts lent to its subsidiaries. The ability of each subsidiary to pay dividends or such other amounts will be subject to their profitability, their financial condition, to applicable laws and regulations and to the evolution of their capital adequacy position.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such

Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

A change in the governing law of the Notes may adversely affect Noteholders

The “*Terms and Conditions of the Notes*” are based on English law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Notes and any such change could materially adversely impact the value of any Notes affected by it.

In particular, UK law may diverge from European Union law over time now that the Transition Period has ended. The Issuers are not able to predict how the UK legislative and regulatory environment might develop going forwards. Legislative and regulatory uncertainty, including uncertainty stemming from the UK’s withdrawal from the European Union, could affect an investor’s ability to accurately value the Notes and, therefore, affect the trading price of the Notes given the extent of any impact on the Notes that one or more regulatory or legislative changes could have.

The Terms and Conditions of the Notes may be modified and certain decisions regarding the Notes may be made without the knowledge and consent of individual Noteholders.

The Trust Deed constituting the Notes contains provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Trust Deed constituting the Notes also provides that, subject to the prior consent of the Regulator being obtained (to the extent that such consent is required), the Trustee may (except as set out in the Trust Deed), without the consent of Noteholders, agree to certain modifications of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or to the substitution of another company as principal debtor under the Notes in place of the relevant Issuer in the circumstances described in Condition 14.

Waiver of set-off

The holders of the Dated Subordinated Notes and the Senior Notes of Santander UK Group Holdings waive any rights of set-off, compensation and retention in relation to such Notes insofar as permitted by applicable law.

Risks related to the structure of a particular issue of Floating Rate Notes or Fixed Rate Reset Notes

Investors should be aware that if any benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes or Fixed Rate Reset Notes (as applicable) which are linked to or which reference such benchmark will be determined for the relevant period by the fallback provisions applicable to such Notes. The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable. These fallback arrangements may require or result in adjustments being made to the interest calculation provisions of the Terms and Conditions of the Notes. See *“The Trustee may agree to certain modifications to the Conditions and the transaction documents without the Noteholders’ prior consent following a cessation or material disruption to a benchmark other than SOFR”* and *“The Trustee may agree to certain modifications to the Conditions and the transaction documents without the Noteholders’ prior consent following a cessation or material disruption to SOFR”* below.

Even prior to the implementation of any changes to any benchmark, or to the interest calculation provisions based on such benchmark, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect the operation of such benchmark during the term of the relevant Notes, as well as potentially adversely affecting both the return on any Notes which are linked to or which reference such benchmark and the trading market for such Notes.

In certain circumstances, the ultimate fallback for a particular Interest Period or Reset Period (as applicable), including where any Reference Rate Modification would reasonably be expected to prejudice (i) in the case of Dated Subordinated Notes, the qualification of such Dated Subordinated Notes as Tier 2 capital or (ii) in the case of Senior Notes issued by Santander UK Group Holdings, the eligibility of such Senior Notes to qualify in full towards its and/or the Group’s minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, may result in the effective application of a fixed rate for Floating Rate Notes or Fixed Rate Reset Notes (as applicable) based on the rate of interest that was determined for the last preceding Interest Period or Reset Period (as applicable).

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or Fixed Rate Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Fixed Rate Reset Notes. Investors should note that the relevant Issuer will have discretion to select an Alternative Reference Rate to replace the Original Reference Rate and make such other amendments as are necessary or advisable in the reasonable judgment of the relevant Issuer to facilitate such change (including, without limitation, the application of any spread(s) or adjustment(s)) to the extent there has been or there is reasonably expected to be a material disruption or cessation to the Original Reference Rate, in each case subject to the satisfaction of certain requirements, including receipt by the Trustee of a Reference Rate Modification Certificate, certifying, among other things, that the modification is required for its stated purpose, all as further described in Condition 14(c). Any such modification could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such modification will be favourable to each Noteholder.

In addition, if an amendment is made to the Notes to change the reference rate/benchmark to an alternative base rate, such amendment could have adverse tax consequences to U.S. holders.

Furthermore, if the interest rate applicable to any Floating Rate Notes is determined to be less than zero for any Interest Period, the interest rate applicable to such Floating Rate Notes shall (unless stated

otherwise in the Final Terms) be deemed to be zero for that Interest Period.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes or Fixed Rate Reset Notes. See also “*The Group’s financial results are constantly exposed to market risk. The Group is subject to fluctuations in interest rates and other market risks, which could have a material adverse effect on the Group’s operations, financial condition and prospects*” above.

The Trustee may agree to certain modifications to the Conditions and the transaction documents without the Noteholders’ prior consent following a cessation or material disruption to a benchmark other than SOFR

In certain situations, including the relevant benchmark ceasing to be administered, where (i) in the case of relevant Floating Rate Notes, Screen Rate Determination is specified in the applicable Final Terms as the manner in which the rate of interest is to be determined or (ii) in the case of Fixed Rate Reset Notes, a Mid-Swap Rate is specified as the relevant Reset Rate in the applicable Final Terms, the fallback arrangements referenced above will include the possibility that the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to an alternative reference rate determined by the relevant Issuer, all as more fully described in the Terms and Conditions of the Notes.

Other than as described in the following paragraph, no consent of the Noteholders shall be required in connection with effecting any alternative reference rate and any other related adjustments and/or amendments to the Terms and Conditions of the Notes (or any other document) which are made in order to effect any alternative reference rate. Any such alternative reference rate and/or other related amendments to the Terms and Conditions of the Notes (or any other document), as applicable, shall be binding upon the Noteholders regardless of whether or not they are materially prejudicial to the interests of the Noteholders.

The relevant Issuer is required to give at least 30 calendar days’ notice of any Reference Rate Modification and if Noteholders representing at least ten per cent. in aggregate nominal amount of the relevant Series for the time being outstanding have notified the relevant Issuer within the applicable notification period that they do not consent to such Reference Rate Modification, then the relevant Reference Rate Modification will not be made unless it is sanctioned by an Extraordinary Resolution of the holders of the relevant Series pursuant to the Trust Deed.

The Trustee may agree to certain modifications to the Conditions and the transaction documents without the Noteholders’ prior consent following a cessation or material disruption to SOFR

The Trustee shall, without any consent or sanction of the Noteholders, concur with the relevant Issuer in making any modification to the Terms and Conditions of the Notes and/or other relevant transaction documents to which it is a party that the relevant Issuer considers necessary if the relevant Issuer determines that a Benchmark Transition Event has occurred with respect to SOFR, for the purpose of making any modification to the Terms and Conditions of the Notes or other transaction documents that the relevant Issuer decides may be appropriate to give effect to the provisions set forth in Condition 4(c)(ii)(B)(VII) in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Notes which are calculated by reference to SOFR and issued on or after 12 May 2021 and any related swap agreements.

With respect to a Benchmark Transition Event, the Noteholders shall be deemed to have instructed the Trustee to concur with any amendments that the relevant Issuer decides may be appropriate to give effect to the provisions set forth in Condition 4(c)(ii)(B)(VII), and shall be bound by them regardless of whether or

not they are materially prejudicial to the interests of the Noteholders.

The Secured Overnight Financing Rate used to calculate SOFR may be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes

The Secured Overnight Financing Rate is published by the Federal Reserve Bank of New York (the “**Federal Reserve**”) and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. The Federal Reserve reports that the Secured Overnight Financing Rate includes all trades in the Broad General Collateral Rate, plus bilateral Treasury repurchase agreement transactions cleared through the delivery-versus-payment service offered by the Fixed Income Clearing Corporation (the “**FICC**”), a subsidiary of the Depository Trust and Clearing Corporation (“**DTCC**”). The Secured Overnight Financing Rate is filtered by the Federal Reserve to remove a portion of the foregoing transactions considered to be “specials”.

The Federal Reserve reports that the Secured Overnight Financing Rate is calculated as a volume-weighted median of transaction-level tri-party repurchase agreement data collected from The Bank of New York Mellon as well as General Collateral Finance repurchase agreement transaction data and data on bilateral Treasury repurchase transactions cleared through the FICC’s delivery-versus-payment service. The Federal Reserve notes that it obtains information from DTCC Solutions LLC, an affiliate of DTCC. The Federal Reserve notes on its publication page for the Secured Overnight Financing Rate that use of the Secured Overnight Financing Rate is subject to important limitations and disclaimers, including that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of the Secured Overnight Financing Rate at any time without notice.

Because the Secured Overnight Financing Rate is published by the Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that the Secured Overnight Financing Rate will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes linked to SOFR. If the manner in which the Secured Overnight Financing Rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and their trading prices. If the rate at which interest on Notes linked to SOFR accrues on any day declines to zero or becomes negative, no interest will be payable on such Notes in respect of that day.

The Federal Reserve began to publish the Secured Overnight Financing Rate in April 2018. The Federal Reserve has also begun publishing historical indicative Secured Overnight Financing Rates going back to 2014. Investors should not rely on any historical changes or trends in the Secured Overnight Financing Rate as an indicator of future changes in the Secured Overnight Financing Rate. Also, since the Secured Overnight Financing Rate is a relatively new market index, Notes linked to SOFR will likely have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to the Secured Overnight Financing Rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of Notes linked to SOFR may be lower than those of later-issued indexed debt securities as a result. Similarly, if the Secured Overnight Financing Rate does not prove to be widely used in securities like the Notes linked to SOFR, the trading price of such Notes may be lower than those of notes linked to indices that are more widely used. Investors in Notes linked to SOFR may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. See also “*Any failure of SOFR to gain market acceptance could adversely affect holders of Notes that pay a floating rate of interest referencing SOFR*” below.

Any failure of SOFR to gain market acceptance could adversely affect holders of Notes that pay a floating rate of interest referencing SOFR

Holders of Notes that pay a floating rate of interest that reference SOFR are exposed to the risk that such rate may not be widely accepted in the market. As SOFR is a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR to be a suitable substitute or successor for all of the purposes for which LIBOR historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen its market acceptance. Any failure of SOFR to gain or maintain market acceptance could adversely affect the return on, value of and market for Notes that pay a floating rate of interest referencing SOFR.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes

The market continues to develop in relation to risk free rates, such as SONIA, SOFR, the euro short-term rate (“**€STR**”) and the daily Singapore Overnight Rate Average (“**SORA**”), as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates.

In particular, market participants and relevant working groups are exploring alternative reference rates based on risk free rates, including term SONIA, SOFR, €STR and SORA (which seek to measure the market’s forward expectation of an average SONIA, SOFR, €STR or SORA over a designated term). Market terms for debt securities indexed to SONIA, SOFR, €STR or SORA such as the spread over the index reflected in interest rate provisions or the applicable Observation Method, may evolve over time, and trading prices of the Floating Rate Notes may be lower than those of later-issued indexed debt securities as a result.

As a result of the evolving nature of risk free rates, the market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to Floating Rate Notes that reference a risk free rate issued under this Prospectus. In particular, the Bank of England (or a successor), as administrator of SONIA, may make methodological or other changes that could change the value of SONIA, including changes related to the method by which SONIA is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, or timing related to the publication of SONIA. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA (in which case the fallback methods of determining the interest rate on Notes linked to SONIA will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA.

Interest on Floating Rate Notes which reference a backwards-looking risk free rate are only capable of being determined at the end of the relevant observation period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in such Floating Rate Notes to reliably estimate the amount of interest which will be payable on such Notes. Further, if the Floating Rate Notes become due and payable, the Rate of Interest payable shall be determined on the date such Floating Rate Notes became due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Notes.

Noteholders agree to be bound by the exercise of any Bail-in Power by the Resolution Authority

In recognition of the powers granted by law to the Resolution Authority (as defined in Condition 18), by its acquisition of any Series of Notes, each Noteholder acknowledges and accepts that the Amounts Due (as

defined in Condition 18) arising under the Notes may be subject to the exercise of any Bail-in Power (as defined in Condition 18) by the Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of Bail-in Power by the Resolution Authority which may result in (i) the reduction of all, or a portion, of the Amounts Due, (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the relevant Issuer or another person (and the issue to or conferral on the Noteholders of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, (iii) the cancellation of the Notes and/or (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period. Each Noteholder further acknowledges, accepts, consents and agrees to be bound by the variation of the terms of the Notes, if necessary, to give effect to, the exercise of any Bail-in Power by the Resolution Authority.

Accordingly, the Bail-in Power may be exercised in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security from the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Resolution Authority may exercise the Bail-in Power without providing any advance notice to, or requiring the consent of, the Noteholders. In addition, under the Conditions, the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes is not an Event of Default (as defined in Condition 9) or a default for any purpose.

Senior Notes

(i) The Senior Notes may be subject to statutory bail-in or write down powers under the Banking Act and the BRRD

As described in the risk factor entitled “*The Group may become subject to the provisions of the Banking Act 2009, including bail-in and write down powers*” above, the BRRD bail-in power has been implemented in the UK. The UK bail-in power is an additional power available to the UK resolution authorities under the special resolution regime provided for in the Banking Act to enable them to recapitalise a failed institution by allocating losses to such institution’s shareholders and unsecured creditors subject to the rights of such shareholders and unsecured creditors to be compensated under a bail-in compensation order, which is based on the principle that such creditors should receive no less favourable treatment than they would have received had the bank entered into insolvency immediately before the coming into effect of the bail-in power. The bail-in power includes the power to cancel or write down (in whole or in part) certain liabilities or to modify the terms of certain contracts for the purposes of reducing or deferring the liabilities of a relevant institution under resolution and the power to convert certain liabilities into shares (or other instruments of ownership) of the relevant institution.

The Senior Notes are a liability which could be cancelled, written down (in whole or in part) or converted pursuant to the exercise of the bail-in power. The exercise of the bail-in power, or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in the Senior Notes and/or the ability of the relevant Issuer to satisfy its obligations under the Senior Notes.

(ii) Early redemption of the Senior Notes is at all times at the discretion of the relevant Issuer, and an investor may not be able to reinvest the redemption proceeds at as effective a rate of return as that in respect of the Senior Notes

The Senior Notes may, subject as provided in Condition 6, be redeemed before the Maturity Date at the sole discretion of the relevant Issuer if an optional redemption right is specified in the applicable Final

Terms, following a Tax Event or, if so specified in the applicable Final Terms in respect of Senior Notes issued by Santander UK Group Holdings, following a Loss Absorption Disqualification Event.

During any period when the relevant Issuer may elect to redeem the Senior Notes, or during which there is an actual or perceived increased likelihood that the relevant Issuer may elect to redeem the Senior Notes, the market value of the Senior Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Senior Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

With respect to a Loss Absorption Disqualification Event, as the Loss Absorption Regulations continue to be implemented in the UK and may be subject to potential future amendments, the Issuers are currently unable to predict whether the Senior Notes issued by Santander UK Group Holdings are likely to be, fully or partially, excluded from Santander UK Group Holdings' or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as such minimum requirements are applicable to Santander UK Group Holdings or to the Group. If such Senior Notes issued by Santander UK Group Holdings are to be so redeemed or there is a perception that the Senior Notes issued by Santander UK Group Holdings may be so redeemed, this may impact the market price of the Senior Notes issued by Santander UK Group Holdings. Such legislative and regulatory uncertainty could also affect the value the Senior Notes and therefore affect the trading price of the Senior Notes given the extent and impact on the Senior Notes that one or more regulatory or legislative changes could have on the Senior Notes.

(iii) Senior Notes issued by Santander UK Group Holdings will be subject to limited events of default and the remedies available thereunder are limited

In accordance with the Regulator's requirements for MREL and/or TLAC capital, the only events of default under the Terms and Conditions of the Senior Notes issued by Santander UK Group Holdings are (i) where there is a failure to pay principal or interest for a period of 14 days or more when it otherwise becomes due and payable, or (ii) an order is made or a resolution is passed for the winding-up of Santander UK Group Holdings (other than an Approved Winding-up).

The sole remedy against Santander UK Group Holdings available to the Trustee or (where the Trustee has failed to proceed against Santander UK Group Holdings as provided in the "Terms and Conditions of the Notes") any Noteholder for recovery of amounts which have become due in respect of the Senior Notes issued by Santander UK Group Holdings will be the institution of proceedings for the winding-up of Santander UK Group Holdings and/or proving in such winding-up and/or claiming in the liquidation of Santander UK Group Holdings. Otherwise, the Trustee and the Noteholders may not take any further or other action to enforce, prove or claim any such payment, including, in the case of a failure to pay interest, any action to accelerate a repayment of the principal amount of such Senior Notes.

If an order is made by the competent court or resolution passed for the winding-up Santander UK Group Holdings (other than an Approved Winding-up), the Trustee at its discretion may, and if so requested by Noteholders of at least one quarter in principal amount of the Senior Notes issued by Santander UK Group Holdings then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to Condition 9(b)(iv)), give notice to Santander UK Group Holdings (or, as applicable, the liquidator) that such Senior Notes issued by Santander UK Group Holdings are, and they shall accordingly forthwith become,

immediately due and repayable at the amount equal to their principal amount and any accrued and unpaid interest.

Dated Subordinated Notes:

(i) The Dated Subordinated Notes are unsecured and subordinated obligations of Santander UK Group Holdings. On a winding-up of Santander UK Group Holdings, investors in the Dated Subordinated Notes may lose their entire investment in the Dated Subordinated Notes

Santander UK Group Holdings' payment obligations under the Dated Subordinated Notes will be unsecured and will be subordinated in the event of the winding-up of Santander UK Group Holdings (other than an Approved Winding-up) or the appointment of an administrator of Santander UK Group Holdings where the administrator has given notice that it intends to declare and distribute a dividend and, in each case, will rank junior to the claims of creditors of Santander UK Group Holdings (a) who are unsubordinated creditors of Santander UK Group Holdings; or (b) who are subordinated creditors of Santander UK Group Holdings (other than those whose claims constitute, or would but for any applicable limitation on the amount of any such capital constitute, Tier 1 capital or Tier 2 capital or whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the holders of the Dated Subordinated Notes), and claims in respect of any subordinated indebtedness of Santander UK Group Holdings (other than indebtedness which ranks, or is expressed to rank, *pari passu* with or junior to the Dated Subordinated Notes). Accordingly, the assets of Santander UK Group Holdings would be applied first in satisfying all senior-ranking claims in full, and payments would be made to holders of the Dated Subordinated Notes, *pro rata* and proportionately with payments made to holders of any other *pari passu* instruments (if any), only if and to the extent that there are any assets remaining after satisfaction in full of all such senior-ranking claims. If Santander UK Group Holdings' assets are insufficient to meet all its obligations to senior-ranking and *pari passu* creditors, the holders of the Dated Subordinated Notes will lose all or some of their investment in the Dated Subordinated Notes.

There is no restriction on the amount of securities which Santander UK Group Holdings may issue and which rank senior to, or *pari passu* with, the Dated Subordinated Notes and accordingly, Santander UK Group Holdings may at any time incur, issue further debt or securities which rank senior to, or *pari passu* with, the Dated Subordinated Notes. Consequently there can be no assurance that the current level of senior or *pari passu* debt of Santander UK Group Holdings will not change. The issue of any such securities may reduce the amount (if any) recoverable by Noteholders on a winding-up or administration of Santander UK Group Holdings.

If Santander UK Group Holdings' financial condition deteriorates such that there is an increased risk that Santander UK Group Holdings may be wound up or enter into administration, such circumstances can be expected to have a material adverse effect on the market price of the Dated Subordinated Notes. Investors in the Dated Subordinated Notes may find it difficult to sell their Dated Subordinated Notes in such circumstances, or may only be able to sell their Dated Subordinated Notes at a price which may be significantly lower than the price at which they purchased their Dated Subordinated Notes. In such a sale, investors may lose some or substantially all of their investment in the Dated Subordinated Notes, whether or not Santander UK Group Holdings is wound up or enters into administration.

Although the Dated Subordinated Notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a real risk that an investor in the Dated Subordinated Notes will lose all or some of their investment should Santander UK Group Holdings become insolvent.

(ii) Early redemption of the Dated Subordinated Notes is at all times at the discretion of Santander UK Group Holdings, and an investor may not be able to reinvest the redemption proceeds at as effective a rate of return as that in respect of the Dated Subordinated Notes

The Dated Subordinated Notes may, subject as provided in Condition 6, be redeemed before the Maturity Date at the sole discretion of Santander UK Group Holdings if an optional redemption right is specified in the applicable Final Terms, following a Tax Event or, if so specified in the applicable Final Terms, following a Regulatory Capital Event.

During any period when Santander UK Group Holdings may elect to redeem the Dated Subordinated Notes, the market value of the Dated Subordinated Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Dated Subordinated Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

(iii) The Dated Subordinated Notes contain limited events of default and the remedies available thereunder are limited

In accordance with the Regulator's requirements for Tier 2 capital, the only events of default under the Terms and Conditions of the Dated Subordinated Notes are (i) where there is a failure to pay principal or interest for a period of 14 days or more when it otherwise becomes due and payable or (ii) an order is made or a resolution is passed for the winding-up of Santander UK Group Holdings (other than an Approved Winding-up).

The sole remedy against Santander UK Group Holdings available to the Trustee or (where the Trustee has failed to proceed against Santander UK Group Holdings as provided in the "Terms and Conditions of the Notes") any Noteholder for recovery of amounts which have become due in respect of the Dated Subordinated Notes will be the institution of proceedings for the winding-up of Santander UK Group Holdings and/or proving in such winding-up and/or claiming in the liquidation of Santander UK Group Holdings. Otherwise, the Trustee and the Noteholders may not take any further or other action to enforce, prove or claim any such payment, including, in the case of a failure to pay interest, any action to accelerate a repayment of the principal amount of the Dated Subordinated Notes.

If an order is made by the competent court or resolution passed for the winding-up of Santander UK Group Holdings (other than an Approved Winding-up), the Trustee at its discretion may, and if so requested by Noteholders of at least one quarter in principal amount of the Dated Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to Condition 9(b)(iv)), give notice to Santander UK Group Holdings (or, as applicable, the liquidator) that the Dated Subordinated Notes are, and they shall accordingly forthwith become, immediately due and repayable at the amount equal to their principal amount and any accrued and unpaid interest, and the claim in respect thereof will be subject to the subordination provided for in Condition 3(b).

(iv) The Dated Subordinated Notes may be subject to statutory bail-in or write down powers under the Banking Act and the BRRD

As described in the risk factor entitled "The Group may become subject to the provisions of the Banking Act 2009, including bail-in and write down powers" above, the BRRD bail-in power has been implemented in the UK. The UK bail-in power is an additional power available to the UK resolution authorities under the

special resolution regime provided for in the Banking Act to enable them to recapitalise a failed institution by allocating losses to such institution's shareholders and unsecured creditors subject to the rights of such shareholders and unsecured creditors to be compensated under a bail-in compensation order, which is based on the principle that such creditors should receive no less favourable treatment than they would have received had the bank entered into insolvency immediately before the coming into effect of the bail-in power. The bail-in power includes the power to cancel or write down (in whole or in part) certain liabilities or to modify the terms of certain contracts for the purposes of reducing or deferring the liabilities of a relevant institution under resolution and the power to convert certain liabilities into shares (or other instruments of ownership) of the relevant institution.

The Dated Subordinated Notes are a liability which could be cancelled, written down (in whole or in part) or converted pursuant to the exercise of the bail-in power. In accordance with the insolvency treatment principles described in the risk factor entitled "*The Group may become subject to the provisions of the Banking Act 2009, including bail-in and write down powers*" above, the Dated Subordinated Notes would be amongst the first of Santander UK Group Holdings' obligations to bear losses through write-down or conversion to equity pursuant to the exercise of the bail-in power because in the event of the insolvency of Santander UK Group Holdings, the claims in respect of the Dated Subordinated Notes would rank behind all other claims other than claims in respect of Junior Securities.

The BRRD also contains a mandatory write down power which required implementing states to grant powers to resolution authorities to recapitalise institutions that are at the point of non-viability by permanently writing down, *inter alia*, capital instruments such as the Dated Subordinated Notes, or converting those capital instruments into shares. The mandatory write down provision has been implemented in the UK through the Banking Act, and would apply to the Dated Subordinated Notes. Before, or simultaneously with, taking any form of resolution action or applying any resolution power set out in the BRRD, the UK resolution authorities have the power (and are obliged when specified conditions are determined to have been met) to write down, or convert capital instruments such as the Dated Subordinated Notes into CET1 capital instruments. These measures could be applied to the Dated Subordinated Notes.

In contrast to the creditor protections afforded in the event of the bail-in powers being exercised, holders of the Dated Subordinated Notes would not be entitled to the "no creditor worse off" protections under the Banking Act in the event that the Dated Subordinated Notes are written down or converted to equity under the mandatory write-down tool (unless the mandatory write-down tool were to be used alongside a bail-in).

Furthermore, if the Dated Subordinated Notes were to be converted into equity securities by application of the mandatory write-down tool, those equity securities may be subjected to the bail-in powers in resolution, resulting in their cancellation, significant dilution or transfer away from the investors therein. The exercise of such bail-in or write down powers, or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Dated Subordinated Notes and/or the ability of Santander UK Group Holdings to satisfy its obligations under the Dated Subordinated Notes.

(v) The gross-up obligation under the Dated Subordinated Notes and the Senior Notes issued by Santander UK Group Holdings is limited only to payments of interest and not to payments of principal

Santander UK Group Holdings' obligation to pay additional amounts in respect of any withholding or deduction in respect of UK taxes under the terms of the Dated Subordinated Notes and the Senior Notes issued by Santander UK Group Holdings applies only to payments of interest due and paid under the Dated Subordinated Notes or the Senior Notes issued by Santander UK Group Holdings (as applicable) and not to payments of principal. As such Santander UK Group Holdings would not be required to pay any

additional amounts under the terms of the Dated Subordinated Notes or the Senior Notes issued by Santander UK Group Holdings to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Dated Subordinated Notes or the Senior Notes issued by Santander UK Group Holdings, holders of Dated Subordinated Notes or Senior Notes issued by Santander UK Group Holdings (as applicable) may receive less than the full amount due under the Dated Subordinated Notes or Senior Notes issued by Santander UK Group Holdings, and the market value of the Dated Subordinated Notes or the Senior Notes issued by Santander UK Group Holdings may be adversely affected.

Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in the market interest rates may adversely affect the value of the Fixed Rate Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate or vice versa. If the rate converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes relating to the same reference rate. In addition, the new floating rate at any time may be lower than the interest rates payable on other Notes. If the rate converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing interest rates payable on the Notes.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market value of Inverse Floating Rate Notes typically is more volatile than the market value of other more conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate payable on the Notes, but may also reflect an increase in prevailing interest rates, which may further adversely affect the market value of these Notes.

Capped Floating Rate Notes

Capped Floating Rate Notes usually have an interest rate equal to the sum of a reference rate and the specified margin (if any) subject to a maximum specified rate. The maximum amount of interest payable in respect of these Notes will occur when the sum of the reference rate and the specified margin (if any) equals the maximum specified rate. Investors in Capped Floating Rate Notes will therefore not benefit from any increase in the relevant reference rate which, when the specified margin is added to such reference rate, would otherwise cause such interest rate to exceed the maximum specified rate. The market value of these Notes would therefore typically fall the closer the sum of the relevant reference rate and the margin is to the maximum specified rate.

Leveraged Floating Rate Notes

Notes with floating interest rates can be volatile investments. If they are structured to include multipliers, or caps or floors, or any combination of those features, their market value may be more volatile than those for securities that do not include these features.

Variable Interest Notes

The market value of Variable Interest Notes may be more volatile than for securities that do not determine the accrual of interest on the basis of an underlying reference rate. The investor may receive substantially less interest than the rate of accrual interest specified in the applicable Final Terms or no interest at all on such Variable Interest Notes.

Fixed Rate Reset Notes

Fixed Rate Reset Notes will initially bear interest at the Initial Rate of Interest until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of (i) the applicable Mid-Swap Rate, Benchmark Gilt Rate, Reference Bond Rate or U.S. Treasury Rate and (ii) the First Margin or Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a "**Subsequent Reset Rate**"). The Subsequent Reset Rate for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate for prior Reset Periods and could affect the market value of an investment in the Fixed Rate Reset Notes.

Notes issued at a substantial discount or premium

The market value of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form or registered (or inscribed) form. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

Bearer Notes

Bearer Notes having an original maturity of more than 365 days are subject to U.S. tax law requirements, and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder.

Each Tranche of Bearer Notes will be in bearer form and will initially be represented by either a temporary bearer global note (a “**Temporary Bearer Global Note**”) or a permanent bearer global note (a “**Permanent Bearer Global Note**”) and, together with the Temporary Bearer Global Note, the “**Bearer Global Notes**”) as indicated in the applicable Final Terms, which, in either case, will:

- (i) if the Bearer Global Notes are intended to be issued in new global note (“**NGN**”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”); and
- (ii) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Exchange

In respect of each Tranche of Notes in respect of which a Temporary Bearer Global Note is issued, on and after the date (the “**Exchange Date**”) which is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein for either:

- (i) interests in a Permanent Bearer Global Note of the same Series, or
- (ii) definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms).

In each case such exchange shall be made against certification of beneficial ownership as described below, unless such certification has already been given. Purchasers in the United States and certain U.S.

persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due presentation and certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon either:

- (1) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent, or
- (2) only upon the occurrence of an Exchange Event (as defined below).

No definitive Bearer Notes will be sent by post or otherwise delivered to any location in the United States or its possessions in connection with such exchange.

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) should not be expressed to be applicable in the applicable Final Terms if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Bearer Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes.

For these purposes, "**Exchange Event**" means that:

- (1) an Event of Default (as defined in Condition 9) has occurred and is continuing,
- (2) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system satisfactory to the relevant Issuer, the Principal Paying Agent and the Trustee is available, or
- (3) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form.

The relevant Issuer will promptly give notice to the Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (3) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

Payments

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined above) will be made against presentation of the Temporary Bearer Global Note (if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note (if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

Legends Concerning United States Persons

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all Talons and Coupons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States persons, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, Talons and Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, Talons and Coupons.

The term “United States person”, as used in this paragraph and in the preceding paragraph, has the meaning set forth in the Internal Revenue Code of 1986 and the U.S. Treasury regulations thereunder.

Transfers

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

Registered Notes offered and sold in reliance on Regulation S may only be offered and sold to non-U.S. persons outside the United States and will initially be represented by a global note in registered form, without interest coupons or talons (a “**Regulation S Global Note**” and, together with any Notes issued in registered form in exchange or substitution therefore, the “**Regulation S Notes**”) which will be deposited with a common depository, common safekeeper or depository, as the case may be, for, and registered in the name of a common nominee or nominee of, Euroclear and Clearstream, Luxembourg or such other clearing system as may be agreed between the relevant Issuer and the relevant Dealer and specified in the Final Terms, or in the name of a nominee of the common safekeeper. Prior to expiry of the Distribution Compliance Period (as defined in “*Terms and Conditions of the Notes*”) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account

or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg (or such other clearing system as may be agreed between the relevant Issuer and the relevant Dealer and specified in the Final Terms) and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

Registered Notes offered and sold in reliance on Rule 144A may only be offered and sold in the United States or to U.S. persons in private transactions to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (“**QIBs**”) and will be represented by a global note in registered form, without interest coupons or talons (a “**Rule 144A Global Note**” and, together with a Regulation S Global Note, the “**Registered Global Notes**”) which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (“**DTC**”).

Where a Registered Global Note issued in respect of any Tranche is intended to be held under the new safekeeping structure (“**NSS**”), the applicable Final Terms will also indicate whether or not such Registered Global Note is intended to be held in a manner which would allow Eurosystem eligibility. Any indication that a Registered Global Note is to be so held under NSS does not necessarily mean that the Registered Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Exchange

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in registered form.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that:

- (1) an Event of Default (as defined in Condition 9) has occurred and is continuing;
- (2) in the case of Notes represented by a Rule 144A Global Note only, DTC has notified the relevant Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system satisfactory to the relevant Issuer, the Principal Paying Agent, the Registrar and the Trustee is available;
- (3) in the case of Notes represented by a Rule 144A Global Note only, DTC has ceased to constitute a clearing agency registered under the Exchange Act or in the case of Notes represented by a Regulation S Global Note only, the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system satisfactory to the relevant Issuer, the Principal Paying Agent, the Registrar and the Trustee is available; or
- (4) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form.

The relevant Issuer will promptly give notice to the Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (each acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (4) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Payments

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person(s) shown on the Register on the relevant Record Date (each as defined in Condition 5(d)) as the registered holder(s) of the Registered Global Notes. None of the relevant Issuer, the Trustee, any Paying Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Transfers

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. The Rule 144A Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “Subscription and Sale and Transfer and Selling Restrictions”.**

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes set out in Schedule 4 to the Agency Agreement. The regulations may be changed by the relevant Issuer with the prior written approval of the Trustee, the Registrar and the Transfer Agent. A copy of the current regulations will be made available for inspection during usual business hours and upon reasonable notice at the principal office of the Trustee and at the Specified Office of each of the Paying Agents.

General

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the Distribution Compliance Period (as defined in “*Terms and Conditions of the Notes*”) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Bearer Global Note or a Regulation S Global Note held on behalf of or, as the case may be, registered in the name of a common nominee for, Euroclear, and/or Clearstream, Luxembourg (or, as the case may be, a nominee for the common safekeeper), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Trustee, the Paying Agents, the Transfer Agents and the Registrar as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Regulation S Global Note shall be treated by the relevant Issuer, the Trustee, the Paying Agents, the Transfer Agents and the Registrar as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

For so long as any of the Notes is represented by a Rule 144A Global Note registered in the name of DTC or its nominee, each person who is for the time being shown in the records of DTC or such nominee as the holder of a particular nominal amount of such Notes shall be treated by the relevant Issuer, the Trustee, the Paying Agents, the Registrar and the Transfer Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on, or voting, giving consents or making requests in respect of, such nominal amount of such Notes, for which purpose DTC or, in the case of payments only, its nominee shall be treated by the relevant Issuer, the Trustee, the Principal Paying Agent, the Paying Agents, the Registrar and the Transfer Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of such Rule 144A Global Note; and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Any reference herein to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Notes issued in NGN form or held under the NSS for registered global securities, be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system specified in the applicable Final Terms.

Any reference herein to the common depository, depository or, as applicable, common safekeeper shall, whenever the context so permits, be deemed to include references to any successor common depository, depository or, as applicable, common safekeeper or any additional or alternative common depository, depository or, as applicable, common safekeeper as is approved by the relevant Issuer, the Principal Paying Agent, the Registrar and the Trustee.

Any reference herein to the nominee or, as applicable, common nominee shall, whenever the context so permits, be deemed to include references to any successor nominee or, as applicable, common nominee or any additional or alternative nominee or, as applicable, common nominee as is approved by the relevant Issuer, the Principal Paying Agent, the Registrar and the Trustee.

Eurosystem Eligibility

As at the date of this Prospectus, Notes issued under the Programme will be ineligible as collateral for Eurosystem monetary policy and intra-day credit operations.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes and which are issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency) pursuant to this Prospectus.

[Date]

PLEASE CAREFULLY READ THE PROSPECTUS AND THE RISK FACTORS IN THE PROSPECTUS. EACH INVESTOR SHOULD CONSULT ITS OWN FINANCIAL AND LEGAL ADVISORS ABOUT THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE NOTES AND THE SUITABILITY OF AN INVESTMENT IN THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (where “**Prospectus Regulation**” means Regulation (EU) 2017/1129). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRiIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRiIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, varied, superseded or substituted from time to time (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRiIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRiIPs Regulation.

[MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the “**SFA**”) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the “**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]¹

[The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”) and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See “*Form of the Notes*” for a description of the manner in which Notes will be issued. Notes are subject to certain restrictions on transfer, see “*Subscription and Sale and Transfer and Selling Restrictions*”].][Prospective

¹ Legend to be included if the Notes do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A under the Securities Act.]²

**[SANTANDER UK PLC /
SANTANDER UK GROUP HOLDINGS PLC]**

Legal entity identifier (LEI): [●]

**Issue of [Nominal Amount of Tranche] [Title of Notes]
under the €30,000,000,000
Euro Medium Term Note Programme**

PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Prospectus dated 29 April 2022 [and the supplement[s] to it dated [●]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Prospectus[, as supplemented], in order to obtain all the relevant information. The Prospectus [and the supplements] to it] [has / have] been published on the website <http://www.santander.co.uk/uk/about-santander-uk/investor-relations.>]

- | | | |
|----|--|--|
| 1. | Issuer: | [Santander UK plc / Santander UK Group Holdings plc] ³ |
| 2. | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | (iii) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single with [●] on [the Issue Date/exchange of the Series: Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph 26 below, which is expected to occur on or about [●]][Not |

² To be included for Rule 144A issuances only.

³ If Dated Subordinated Notes, the Issuer should be Santander UK Group Holdings plc.

- Applicable]
3. Specified Currency or Currencies: [●]
4. Nominal Amount:
- (i) Tranche: [●]
- (ii) Series: [●]
5. Issue Price of Tranche: [●] per cent. of the Nominal Amount [plus accrued interest from[●]]
6. (i) Specified Denominations: [●]
- (ii) Calculation Amount (in relation to calculation of interest in global form, see Conditions): [●]
7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [[●]/Issue Date/Not Applicable]
8. Maturity Date⁴: [[●][not] subject to adjustment [in accordance with the Business Day Convention set out in paragraph [14(iii)/15(xvi)/16(vi)/17(iii)/18(iii)] below]/[Interest Payment Date falling in or nearest to [●]]
9. Interest Basis: [[●] per cent. Fixed Rate]
- [Fixed Rate Reset]
- [[[●] month [●] EURIBOR] +/- [●] per cent. Floating Rate]
- [[●] per cent. minus [[●] month [●] EURIBOR] Inverse Floating Rate]
- [[●] x [●] month [[●] EURIBOR] Leveraged

⁴ The Maturity Date for Dated Subordinated Notes will be at least five (5) years from the specified Issue Date.

Floating Rate]

[[●] per cent. minus ([[●] x [●] month [[●] EURIBOR]) Leveraged Inverse Floating Rate]

[Zero Coupon/Discount]

[Floating Rate: Compounded Daily SONIA Linked Interest]

[Floating Rate: Compounded Daily SOFR Linked Interest]

[Floating Rate: Compounded Daily €STR Linked Interest]

[Floating Rate: Compounded Daily SORA Linked Interest]

[Floating Rate: CMS Linked Interest]
[Variable Interest]

[Convertible Interest Basis]

[In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●], [[●] per cent. per annum Fixed Rate]/[[●] month [●] EURIBOR] +/- [●] per cent. Floating Rate]/[[●] per cent. minus [●] month [●] EURIBOR] Inverse Floating Rate]/[[●] x [●] month [●] EURIBOR] Leveraged Floating Rate]/[[●] per cent. minus ([●] x [[●] month [●] EURIBOR]) Leveraged Inverse Floating Rate]/[Floating Rate: Compounded Daily SONIA Linked Interest]/[Floating Rate: Compounded Daily SOFR Linked Interest]/[Floating Rate: Compounded Daily €STR Linked Interest]/[SORA Linked Interest]/[Floating Rate: CMS Linked Interest]]

(See paragraph[s] [11/14/15/16/17/18/19] below)

10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount

11. Change of Interest Basis: [Applicable (See paragraphs 9 above and

- [14/15/16/18/19] below)/[Not Applicable]]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[Regulatory Capital Event Call]
[Loss Absorption Disqualification Event Call]
[Clean-up Call]
[(See paragraph[s] [20/21/22/23/24] below)]
[Not Applicable]
13. (i) Status of the Notes: [Senior/Dated Subordinated⁵]
- (ii) Date of [Board] approval for issuance of Notes obtained: [[●]]/[Not Applicable]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/[●] to [●]]
- (i) Rate(s) of Interest: [[●] per cent. per annum payable [annually/semi- annually/quarterly/[●]] in arrear on each Interest Payment Date]
- [In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●], [●] per cent. per annum Fixed Rate]
- (ii) Interest Payment Date(s): [●] in each year [commencing on [●] and ending on the Maturity Date[, subject to adjustment in accordance with the Business Day Convention specified in paragraph 14(iii) below]]
- [There will be a [short/long] first interest period from, and including, the Interest Commencement Date to, but excluding, [●] (the "Stub Period")]
- [There will be a [short/long] final interest period from, and including, [●] to, but excluding, the

⁵ Dated Subordinated Notes may only be issued by Santander UK Group Holdings plc.

		Maturity Date (the “ Stub Period ”).]
(iii)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(iv)	Business Day(s): Additional Business Centre(s):	[●] [●]
(v)	Fixed Coupon Amount(s) in respect of definitive Fixed Rate Notes (and in relation to Notes in global form, see Conditions):	[[●] per Calculation Amount] [In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●], [●] per Calculation Amount]
(vi)	Broken Amount(s) in respect of definitive Fixed Rate Notes (and in relation to Notes in global form, see Conditions):	[In respect of the Stub Period, [●] per Calculation Amount, payable on the Interest Payment Date falling on [●]]/[Not Applicable]
(vii)	Day Count Fraction:	[30/360 Actual/Actual (ICMA) RBA Bond Basis] [adjusted/unadjusted]
(viii)	Determination Date(s):	[[●] in each year]/[Not Applicable]
15.	Fixed Rate Reset Note Provisions	[Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/ [●] to [●]]
(i)	Initial Rate of Interest:	[●] per cent. per annum
(ii)	First Margin:	[●] per cent. per annum
(iii)	Subsequent Margin:	[●] per cent. per annum
(iv)	Interest Payment Date(s):	[●] in each year [commencing on [●] and ending on the Maturity Date[, subject to adjustment in accordance with the Business Day Convention specified in paragraph 15(xvi) below]]
		[There will be a [short/long] first interest period from, and including, the Interest Commencement Date to, but excluding, [●] (the “ Stub Period ”)]
		[There will be a [short/long] final interest period

from, and including, [●] to, but excluding, the Maturity Date (the “**Stub Period**”).]

- (v) Fixed Coupon Amount(s) in respect of definitive Fixed Rate Reset Notes in respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) the First Reset Date: [●] per Calculation Amount
- (vi) Broken Amount(s) in respect of definitive Fixed Rate Reset Notes: [In respect of the Stub Period, [●] per Calculation Amount, payable on the Interest Payment Date falling on [●]]/[Not Applicable]
- (vii) First Reset Date: [●]
- (viii) Second Reset Date: [●]/[Not Applicable]
- (ix) Subsequent Reset Date[(s)]: [●]/[Not Applicable]
- (x) Reset Rate: [Mid-Swap Rate/Benchmark Gilt Rate/Reference Bond/U.S. Treasury Rate]
- (xi) Reset Determination Date: [Condition 4(b) applies]/[specify other]
- (xii) Relevant Screen Page: [●]/[Not Applicable]
- (xiii) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]/[Not Applicable]
- Mid-Swap Floating Leg Original Benchmark Rate: [EURIBOR/Compounded Daily SONIA/Compounded Daily SOFR/Compounded Daily €STR/Compounded Daily SORA/specify other]
- (xiv) Day Count Fraction: [Actual/Actual (ISDA)
Actual/Actual (ICMA)
Actual/365 (Fixed)
Actual/360
[30/360][360/360][Bond Basis]
30E/360
30E/360 (ISDA)
RBA Bond Basis]
[adjusted/unadjusted]
- (xv) Determination Time: [●]/[Not Applicable]

- (xvi) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (xvii) Relevant Currency: [●]/[Not Applicable]
- (xviii) Business Day(s): [●]
Additional Business Centre(s): [●]
16. Floating Rate Note Provisions [Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/ [●] to [●]]
- (i) Straight Floating Rate: [Applicable/Not Applicable]
- (ii) Inverse Floating Rate: [Applicable/Not Applicable]
Set IFRN Rate: [●] per cent.
- (iii) Leveraged Floating Rate: [Applicable/Not Applicable]
Leverage Factor: [●]
- (iv) Leveraged Inverse Floating Rate: [Applicable/Not Applicable]
Leverage Factor: [●]
Set IFRN Rate: [●] per cent.
- (v) Interest Period(s)/ Interest Payment Dates: [●]
[There will be a [short/long] first interest period from, and including, the Interest Commencement Date to, but excluding, [●] (the “**Stub Period**”)]

[There will be a [short/long] last interest period from, and including, [●] to, but excluding, the Maturity Date (the “**Stub Period**”)]
- (vi) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Floating Rate Convention]
- (vii) Business Day(s): [●]
Additional Business Centre(s): [●]
- (viii) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]

(ix) Screen Rate Determination:

- (A) Reference Rate: [[●] month EURIBOR]/ [Compounded Daily SONIA]/ [Compounded Daily SOFR]/ [Compounded Daily €STR]/ [Compounded Daily SORA]/ [where [Compounded Daily [SONIA [Rate]/SOFR [Rate]/€STR [Rate]/SORA [Rate]]][SONIA_i/SONIA_{i-pLBD}/SOFR_i/SOFR_{i-pUSBD}/€STR_i/€STR_{i-pTBD}/SORA_i/SORA_{i-pSBD}] means [●]/[CMS Reference Rate]
- (B) Interest Determination Date(s): [●][The day that is [●] [London Business Days][U.S. Government Securities Business Days][TARGET Business Days][Singapore Business Days] prior to the applicable Interest Payment Date in respect of the relevant Interest Period] *(Note that in the case of SONIA/SOFR/€STR/SORA Linked Interest Notes it is envisaged that the Interest Determination Date shall not be earlier than “p” business days prior to the relevant Interest Payment Date) (Note also that no Interest Determination Date should be less than 5 Business Days prior to the related Interest Payment Date, unless otherwise agreed with the Principal Paying Agent)*
- (C) Relevant Screen Page: [●]/[Not Applicable]
- (D) Designated Source: [SONIA Administrator's Website]/[SOFR Administrator's Website]/[€STR Administrator's Website]/[SORA Administrator's Website]/ [●]/[Not Applicable]
- (E) Index Determination: [Applicable/Not Applicable]
- (F) Observation Method: [Lag]/[Shift]/[Not Applicable]
- (G) Observation Look-back Period: [Not Applicable]/[Applicable] [specify number][[London Business Day[s]] *(in the case of SONIA Linked Interest Notes)*]/[[U.S. Government Securities Business Day[s]] *(in the case of SOFR Linked Interest Notes)*]/[[TARGET Business Day[s]] *(in the case of €STR Linked Interest Notes)*]/[[Singapore Business Day[s]] *(in*

the case of SORA Linked Interest Notes]]

- (H) Observation Shift Period: [Not Applicable]/[Applicable] [*specify number*] [[London Business Day[s]] (*in the case of SONIA Linked Interest Notes*)]/[[U.S. Government Securities Business Day[s]] (*in the case of SOFR Linked Interest Notes*)]/[[TARGET Business Day[s]] (*in the case of €STR Linked Interest Notes*)]/[[Singapore Business Day[s]] (*in the case of SORA Linked Interest Notes*)]
- (I) Interpolation for Stub Period: [Applicable for the Stub Period]/[Not Applicable]
- Reference Rate 1: [] month EURIBOR]/[Not Applicable]
 - Relevant Screen Page 1: []/[Not Applicable]
 - Reference Rate 2: [] month EURIBOR]/ [Not Applicable]
 - Relevant Screen Page 2: []/[Not Applicable]
- (J) Reference Currency: []/Not Applicable]
- (K) Relevant Centre: []/Not Applicable]
- (L) Designated Maturity: []/Not Applicable]
- (M) Determination Time: [[a.m./p.m.] ([time)]/[Not Applicable]
- (N) CMS Rate Fixing Centre(s): []
- (O) ISDA Rate: []/Not Applicable
- (P) ISDA Rate Designated Maturity: []/Not Applicable
- (x) ISDA Determination:
- (A) Floating Rate Option: []
 - (B) Designated Maturity: []

- (C) Reset Date: [●] [, subject to adjustment in accordance with the Reset Date Business Day Convention referred to in (E) below]
- (D) Interpolation for Stub Period: Applicable for the Stub Period]/[Not Applicable]
- Floating Rate Option 1: [●]
 - Designated Maturity 1: [●]
 - Reset Date 1: [●] [, subject to adjustment in accordance with the Reset Date Business Day Convention referred to in (E) below]
 - Floating Rate Option 2: [●]
 - Designated Maturity 2: [●]
 - Reset Date 2: [●] [, subject to adjustment in accordance with the Reset Date Business Day Convention referred to in (E) below]
- (E) Reset Date Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Floating Rate Convention]
- (xi) Margin(s): [[plus/minus] [●] per cent. per annum] [In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●], [plus/minus][●] per cent. per annum]
- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [Actual/Actual (ISDA)
Actual/Actual (ICMA)
Actual/365 (Fixed)
Actual/360
[30/360][360/360][Bond Basis]
30E/360
30E/360 (ISDA)]
[adjusted/unadjusted]

- (xv) Determination Date(s): [[●] in each year]/[Not Applicable]
17. Zero Coupon/Discount Note Provisions [Applicable/Not Applicable]
- (i) Stated Yield: [●] per cent. per annum
- (ii) Issue Price: [●]
- (iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iv) Business Day(s): [●]
Additional Business Centre(s): [●]
- (v) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Actual/Actual (ICMA) 30/360
Actual/360
Actual/365 (Fixed)]
[adjusted/unadjusted]
18. Variable Interest Note Provisions [Applicable/Not Applicable]
- (i) Accrual Interest Rate(s): [[●] per cent. Fixed Rate]
[[[●]EURIBOR] +/- [●] per cent. Floating Rate]
[In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●],[●]]
- (A) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [[[●] month EURIBOR]/Not Applicable]
- Interest Determination Date(s): [[●]/Not Applicable] (*Note that no Interest Determination Date should be less than 5 Business Days prior to the related Interest Payment Date, unless otherwise agreed with the Principal Paying Agent*)
- Relevant Screen Page: [[●]/Not Applicable]
- (B) ISDA Determination: [Applicable/Not Applicable]

- Floating Rate Option:
- Designated Maturity:
- Reset Date: [, subject to adjustment in accordance with the Reset Date Business Day Convention referred to below]
- Reset Date Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Floating Rate Convention]
- (C) Margin: /[Not Applicable]
- (D) Minimum Rate of Interest: per cent. per annum/Not Applicable]
- (E) Maximum Rate of Interest: per cent. per annum/Not Applicable]
- (ii) Interest Period(s)/Interest Payment Dates:
- (iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Floating Rate Convention]
- (iv) Business Day:
Additional Business Centre(s):
- (v) Day Count Fraction: [Actual/Actual (ISDA)
Actual/Actual (ICMA)
Actual/365 (Fixed)
30/360 30E/360
30E/360 (ISDA)]
[adjusted/unadjusted]
- (vi) Determination Date(s): in each year]/[Not Applicable]
- (vii) Underlying Reference Rate: month EURIBOR/
[SONIA]/[SOFR]/[€STR]/[SORA]/[CMS
Reference Rate]

- Reference Screen Page: [[●]/Not Applicable]
 - Designated Source: [[●]/Not Applicable]
 - Reference Currency: [[●]/Not Applicable]
 - Relevant Centre: [[●]/Not Applicable]
 - Designated Maturity: [[●]/Not Applicable]
 - Determination Time: [[●]/Not Applicable]
 - ISDA Rate: [[●]/Not Applicable]
 - ISDA Rate Designated Maturity: [[●]/Not Applicable]
- (viii) Lower Barrier(s): [●]
- (ix) Upper Barrier(s): [In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●],[●]]
- (x) Rate Cut-off Date: [The [●] [Fixing Business Day]/[calendar day] prior to the Interest Payment Date falling at the end of the relevant Interest Period]
- (xi) Additional Fixing Business Centre: [[●]/Not Applicable]
19. Convertible Interest Basis Provisions: [Applicable/Not Applicable]
- (i) First Interest Basis: [[Fixed Rate/Floating Rate/Variable Interest] in accordance with paragraph [14/16/18] above and Condition 4(d)]
- (ii) Second Interest Basis: [[Fixed Rate/Floating Rate/Variable Interest] [in accordance with paragraph [14/16/18] above and Condition 4(d)]
- (iii) Interest Basis Conversion Date: [●] [subject to adjustment in accordance with the Business Day Convention][subject to no adjustment]

PROVISIONS RELATING TO REDEMPTION

20.	Issuer Call	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s):	[[●] per cent. of [t]/[T]he outstanding aggregate nominal amount of Notes in [●]] (if Notes are represented by a Global Note), [●] per cent. of the Calculation Amount/[●] per Calculation Amount (if Notes are in definitive form)]
	(iii) If redeemable in part:	[Applicable/Not Applicable]
	(1) Minimum Redemption Amount:	[[●] (if Notes are represented by a Global Note), [●] per Calculation Amount (if Notes are in definitive form)]
	(2) Maximum Redemption Amount:	[[●] (if Notes are represented by a Global Note), [●] per Calculation Amount (if Notes are in definitive form)]
	(3) Minimum period:	[●] days
	(iv) Notice periods:	Minimum period: [●] [calendar days]/[Business Days] Maximum period: [●] [calendar days]/[Business Days]
21.	Regulatory Capital Event Call:	[Applicable/Not Applicable ⁶]
22.	Investor Put	[Applicable/Not Applicable ⁷]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s):	[[●] per cent. of [t]/[T]he outstanding aggregate nominal amount of Notes in [●]] (if Notes are represented by a Global Note), [●] per cent. of the Calculation Amount/[●] per Calculation Amount (if Notes are in definitive

⁶ Regulatory Capital Event will be specified as "Not Applicable" in the case of Senior Notes.

⁷ Investor Put will be specified as "Not Applicable" in the case of Notes issued by Santander UK Group Holdings plc.

		form)
	(iii) Notice periods:	Minimum period: [●] [calendar days]/[Business Days] Maximum period: [●] [calendar days]/[Business Days]
23.	Loss Absorption Disqualification Event Call	[Applicable/Not Applicable ⁸]
	(i) Notice periods:	Minimum period: [●] [calendar days]/[Business Days] Maximum period: [●] [calendar days]/[Business Days]
	(ii) Loss Absorption Disqualification Amount(s):	[[●] per cent. of [t]/[T]he outstanding aggregate nominal amount of Notes in [●]] (if Notes are represented by a Global Note), [●] per cent. of the Calculation Amount/[●] per Calculation Amount (if Notes are in definitive form)
	(iii) Basis of exclusion on amendment or change in Loss Absorption Regulation:	[Fully excluded/Fully or partially excluded]
24.	Clean-up Redemption Option	[Applicable/Not Applicable]
	(i) Clean-up Percentage:	[As per Condition 6(g)/specify other]
	(ii) Optional Clean-up Redemption Date(s):	[●]
	(iii) Optional Clean-up Redemption Amount(s):	[[●] per cent. of [t]/[T]he outstanding aggregate nominal amount of Notes in [●]] (if Notes are represented by a Global Note), [●] per cent. of the Calculation Amount/[●] per Calculation Amount (if Notes are in definitive form)]

⁸ Loss Absorption Disqualification Event Call will be specified as "Not Applicable" in the case of Senior Notes issued by Santander UK plc and Dated Subordinated Notes.

- (iv) Notice periods: Minimum period: [●] [calendar days]/[Business Days]
Maximum period: [●] [calendar days]/[Business Days]
25. Final Redemption Amount: [[●] per cent. of [t]/[T]he outstanding aggregate nominal amount of Notes in [●]] (if Notes are represented by a Global Note), [●] per cent. of the Calculation Amount/[●] per Calculation Amount (if Notes are in definitive form)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Form of Notes: [Bearer Notes:
- Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event at the expense of the Issuer]].
- [Temporary Bearer Global Note exchangeable for definitive Bearer Notes on and after the Exchange Date.]
- [Permanent Bearer Global Note exchangeable for definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event at the expense of the Issuer]].
- [Registered Notes:
- Regulation S Global Note ([●] of the Nominal Amount registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg])/Rule 144A Global Note[s] ([●] of the Nominal Amount) registered in the name of a nominee for DTC]
27. New Global Note: [Yes/No]
28. Calculation Agent: [●]/[Not Applicable]
29. Determination Agent: [●]/[Not Applicable]

30. U.S. Selling Restrictions: [Reg. S. Compliance Category 2; TEFRA D/TEFRA C/TEFRA Not Applicable; Rule 144A]

[THIRD PARTY INFORMATION]

[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised for and on behalf of the Issuer

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's main market] and listing on [the Official List of the Financial Conduct Authority] with effect from [on or about [the Issue Date]].
- (ii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

- Ratings: [The Notes [are expected to] have the following ratings:
 [S & P: [●]]
 [Moody's: [●]]
 [[Fitch]: [●]]
 [Not Applicable]
- [The short term unsecured obligations of the Issuer are rated [●] by S&P, [●] by Moody's and [●] by Fitch, and the unsecured unsubordinated long-term obligations of the Issuer are rated [●] by S&P, [●] by Moody's and [●] by Fitch.]
- [Each of [●] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended).][Each of [●] is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees [of [insert relevant fee disclosure]] payable to [●] (the ["Dealer[s]"/["Manager[s]"]]), no person involved in the issue of the Notes has an interest material to the offer. The [Manager[s]/Dealer[s]] and [its/their] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. YIELD (Fixed Rate Notes only)

Indication of yield:

5. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: [See “*Use of Proceeds*” in the Prospectus]/ [The net proceeds will be used for general corporate purposes of the Issuer [and its subsidiaries]/[and/or the Group] and to strengthen further the capital base of the Issuer [and its subsidiaries]/[and/or the Group]]/ [Give details]
- (ii) Estimated net proceeds:

6. OPERATIONAL INFORMATION

- (i) ISIN Code:
- (ii) Common Code:
- (iii) CUSIP Code:
- (iv) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking SA and the relevant identification number(s): /[Not Applicable]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any):
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is held under the New Safekeeping Structure for registered global securities,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the

Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is held under the New Safekeeping Structure for registered global securities]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. U.S. TAX INFORMATION (144A OFFERINGS ONLY)

- | | | |
|-------|--|---------------|
| (i) | Original Issue
Discount: | [Yes/No] |
| (ii) | Contingent Payment
Debt Instrument: | [Yes/No] |
| (iii) | Intended U.S. Tax
Characterisation: | [Debt/equity] |

8. DISTRIBUTION

Prohibition of Sales to Belgium Consumers: [Applicable/Not Applicable]

9. UK BENCHMARKS REGULATION

UK Benchmarks Regulation – Article 29(2) statement on benchmarks: [Not Applicable]/[Applicable: Amounts payable under the Notes will be calculated by reference to [*specify benchmark(s) (as this term is defined in the UK Benchmarks Regulation)*] which [*is/are*] provided by [*insert legal name(s) of the benchmark administrator(s) – if more than one specify in*

relation to each relevant benchmark].

As at the date of these Final Terms, [*insert legal name(s) of the benchmark administrator(s)*] [is/are] [not] included in the register of administrators established and maintained by the Financial Conduct Authority pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”).

[As far as the Issuer is aware, [*specify benchmark(s) (as this term is defined in the UK Benchmarks Regulation)*] [does/do] not fall within the scope of the UK Benchmarks Regulation/the transitional provisions in Article 51 of the UK Benchmarks Regulation apply] such that [*insert legal name(s) of the benchmark administrator(s)*] [is/are] not currently required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence).]

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme (whatever their denomination) pursuant to this Prospectus.

[Date]

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 AS AMENDED OR SUPERSEDED OR THE FINANCIAL SERVICES AND MARKETS ACT 2000 FOR THE ISSUE OF NOTES DESCRIBED BELOW. THE UNITED KINGDOM FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT AND THIS PRICING SUPPLEMENT SHALL NOT FORM PART OF THE PROSPECTUS APPROVED BY THE UNITED KINGDOM FINANCIAL CONDUCT AUTHORITY.

PLEASE CAREFULLY READ THE PROSPECTUS AND THE RISK FACTORS IN THE PROSPECTUS. EACH INVESTOR SHOULD CONSULT ITS OWN FINANCIAL AND LEGAL ADVISORS ABOUT THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE NOTES AND THE SUITABILITY OF AN INVESTMENT IN THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (where “**Prospectus Regulation**” means Regulation (EU) 2017/1129). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, varied, superseded or substituted from time to time (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the “**SFA**”) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the “**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]¹

¹ Legend to be included if the Notes do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

[The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”) and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See “*Form of the Notes*” for a description of the manner in which Notes will be issued. Notes are subject to certain restrictions on transfer, see “*Subscription and Sale and Transfer and Selling Restrictions*”.][Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A under the Securities Act.]²

**[SANTANDER UK PLC /
SANTANDER UK GROUP HOLDINGS PLC]**

Legal entity identifier (LEI): [●]

**Issue of [Nominal Amount of Tranche] [Title of Notes]
under the €30,000,000,000
Euro Medium Term Note Programme**

PART A - CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of Regulation 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”), in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Prospectus dated 29 April 2022 [and the supplement[s] to it dated [●]] (the “**Prospectus**”). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus. Copies of the Prospectus may be obtained from <http://www.santander.co.uk/uk/about-santander-uk/investor-relations>.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus.

1. Issuer: [Santander UK plc / Santander UK Group Holdings plc]³

² To be included for Rule 144A issuances only.

³ If Dated Subordinated Notes, the Issuer should be Santander UK Group Holdings plc.

2. (i) Series Number: [●]
- (ii) Tranche Number:
- (iii) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [●] on [the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph 26 below, which is expected to occur on or about [●]][Not Applicable]
3. Specified Currency or Currencies: [●]
4. Nominal Amount:
- (i) Tranche: [●]
- (ii) Series: [●]
5. Issue Price of Tranche: [●] per cent. of the Nominal Amount [plus accrued interest from [●]]
6. (i) Specified Denominations: [●]
- (ii) Calculation Amount (in relation to calculation of interest in global form, see Conditions): [●]
7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [[●]/Issue Date/Not Applicable]
8. Maturity Date⁴: [●][not] subject to adjustment [in accordance with the Business Day Convention set out in paragraph 14(iii)/15(xvii)/16(vi)/17(iii)/18(iii)] below/[Interest Payment Date falling in or nearest to [●]]
9. Interest Basis: [●] per cent. Fixed Rate
[Fixed Rate Reset]

⁴ The Maturity Date for Dated Subordinated Notes will be at least five (5) years from the specified Issue Date.

[[●] month EURIBOR/specify other] +/- [●] per cent. Floating Rate]

[●] per cent. minus [[●] month EURIBOR/specify other] Inverse Floating Rate]

[●] x [●] month [EURIBOR/specify other] Leveraged Floating Rate]

[●] per cent. minus ([[●] x [●] month [EURIBOR/specify other]) Leveraged Inverse Floating Rate]

[Zero Coupon/Discount]

[Floating Rate: Compounded Daily SONIA Linked Interest]

[Floating Rate: Compounded Daily SOFR Linked Interest]

[Floating Rate: Compounded Daily €STR Linked Interest]

[Floating Rate: Compounded Daily SORA Linked Interest]

[Floating Rate: CMS Linked Interest]
[Variable Interest]

[Convertible Interest Basis]

[specify other]

[In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding)], [[●] per cent. per annum Fixed Rate]/[[●] month EURIBOR/specify other] +/- [●] per cent. Floating Rate]/[●] per cent. minus [●] month EURIBOR/specify other] Inverse Floating Rate]/ [[●] x [●] month EURIBOR/specify other] Leveraged Floating Rate]/[[●] per cent. minus ([●] x [[●] month EURIBOR/specify other]) Leveraged Inverse Floating Rate]/[Floating Rate: Compounded Daily SONIA Linked Interest]/ [Floating Rate: Compounded Daily SOFR Linked Interest]/[Floating Rate: Compounded Daily €STR Linked Interest]/ [Floating Rate: Compounded Daily SORA Linked Interest]/[Floating Rate: CMS Linked Interest]]
[specify other]

(See paragraph[s] [11/14/15/16/17/18/19] below)

10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount
11. Change of Interest Basis: [Applicable (See paragraphs 9 above and [14/15/16/18/19] below)/[Not Applicable]]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[Regulatory Capital Event Call]
[Loss Absorption Disqualification Event Call]
[Clean-up Call]
[(See paragraph[s] [20/21/22/23/24] below)]
[Not Applicable]
13. (i) Status of the Notes: [Senior/Dated Subordinated⁵]
- (ii) Date of [Board] approval for issuance of Notes obtained: [[●]]/[Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/[●] to [●]]
- (i) Rate(s) of Interest: [[●] per cent. per annum payable [annually/semi-annually/quarterly/[●]] in arrear on each Interest Payment Date]
- [In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●], [●] per cent. per annum Fixed Rate]
- (ii) Interest Payment Date(s): [●] in each year [commencing on [●] and ending on the Maturity Date[, subject to adjustment in accordance with the Business Day Convention specified in paragraph 14(iii) below]]
- [There will be a [short/long] first interest period

⁵ Dated Subordinated Notes may only be issued by Santander UK Group Holdings plc.

- from, and including, the Interest Commencement Date to, but excluding, [●] (the “**Stub Period**”)]
- [There will be a [short/long] final interest period from, and including, [●] to, but excluding, the Maturity Date (the “**Stub Period**”).]
- (iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (iv) Business Day(s): [●]
Additional Business Centre(s): [●]
- (v) Fixed Coupon Amount(s) in respect of definitive Fixed Rate Notes (and in relation to Notes in global form, see Conditions): [[●] per Calculation Amount]
[In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●], [●] per Calculation Amount]
- (vi) Broken Amount(s) in respect of definitive Fixed Rate Notes (and in relation to Notes in global form, see Conditions): [In respect of the Stub Period, [●] per Calculation Amount, payable on the Interest Payment Date falling on [●]]/[Not Applicable]
- (vii) Day Count Fraction: [30/360
Actual/Actual (ICMA)
RBA Bond Basis/*specify other*]
[adjusted/unadjusted]
- (viii) Determination Date(s): [[●] in each year]/[Not Applicable]
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [None/*Give details*]
15. Fixed Rate Reset Note Provisions [Applicable/Not Applicable] [Applicable in respect of the period from [the Interest Commencement Date]/[●] to [●]]
- (i) Initial Rate of Interest: [●] per cent. per annum
- (ii) First Margin: [●] per cent. per annum
- (iii) Subsequent Margin: [●] per cent. per annum

- (iv) Interest Payment Date(s): [●] in each year [commencing on [●] and ending on the Maturity Date[, subject to adjustment in accordance with the Business Day Convention specified in paragraph 15(xvii) below]]
- [There will be a [short/long] first interest period from, and including, the Interest Commencement Date to, but excluding, [●] (the “**Stub Period**”)]
- [There will be a [short/long] final interest period from, and including, [●] to, but excluding, the Maturity Date (the “**Stub Period**”).]
- (v) Fixed Coupon Amount(s) in respect of definitive Fixed Rate Reset Notes in respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) the First Reset Date: [●] per Calculation Amount
- (vi) Broken Amount(s) in respect of definitive Fixed Rate Reset Notes: [In respect of the Stub Period, [●] per Calculation Amount, payable on the Interest Payment Date falling on [●]]/[Not Applicable]
- (vii) First Reset Date: [●]
- (viii) Second Reset Date: [●]/[Not Applicable]
- (ix) Subsequent Reset Date[(s)]: [●]/[Not Applicable]
- (x) Reset Rate: [Mid-Swap Rate/Benchmark Gilt Rate/Reference Bond/U.S. Treasury Rate]
- (xi) Reset Determination Date: [Condition 4(b) applies]/[specify other]
- (xii) Relevant Screen Page: [●]/[Not Applicable]
- (xiii) Mid-Swap Rate: [Single Mid-Swap Rate/Mean Mid-Swap Rate]/[Not Applicable]
- Mid-Swap Floating Leg Original Benchmark Rate: [EURIBOR/Compounded Daily SONIA/Compounded Daily SOFR/Compounded Daily €STR/Compounded Daily SORA/specify other]

- (xiv) Day Count Fraction: [Actual/Actual (ISDA)
Actual/Actual (ICMA)
Actual/365 (Fixed)
Actual/360
[30/360][360/360][Bond Basis]
30E/360
30E/360 (ISDA)
RBA Bond Basis]
[adjusted/unadjusted]
- (xv) Determination Time: [●]/[Not Applicable]
- (xvi) Business Day Convention: [Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention]
- (xvii) Relevant Currency: [●]/[Not Applicable]
- (xviii) Business Day(s): [●]
Additional Business Centre(s): [●]
16. Floating Rate Note Provisions [Applicable/Not Applicable] [Applicable in
respect of the period from [the Interest
Commencement Date]/ [●] to [●]]
- (i) Straight Floating Rate: [Applicable/Not Applicable]
- (ii) Inverse Floating Rate: [Applicable/Not Applicable]
Set IFRN Rate: [●] per cent.
- (iii) Leveraged Floating Rate: [Applicable/Not Applicable]
Leverage Factor: [●]
- (iv) Leveraged Inverse Floating Rate: [Applicable/Not Applicable]

Leverage Factor: [●]

Set IFRN Rate: [●] per cent.
- (v) Interest Period(s)/
Interest Payment Dates: [●]
[There will be a [short/long] first interest period
from, and including, the Interest
Commencement Date to, but excluding, [●]
(the “**Stub Period**”)]

[There will be a [short/long] last interest period
from, and including, [●] to, but excluding, the
Maturity Date (the “**Stub Period**”)]

- (vi) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Floating Rate Convention/*specify other*]
- (vii) Business Day(s): [●]
Additional Business Centre(s): [●]
- (viii) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (ix) Screen Rate Determination:
- (A) Reference Rate: [[●] month EURIBOR]/[Compounded Daily SONIA]/[Compounded Daily SOFR]/[Compounded Daily €STR]/[Compounded Daily SORA]/[where [Compounded Daily [SONIA [Rate]/SOFR [Rate]/€STR [Rate]]][SONIA_i/SONIA_{i-pLBD}/SOFR_i/SOFR_{i-pUSBD}/€STR_i/€STR_{i-pTBD}/SORA_i/SORA_{i-pTBD}] means [●]/[CMS Reference Rate/*specify other*]
- (B) Interest Determination Date(s): [●][The day that is [●] [London Business Days][U.S. Government Securities Business Days][TARGET Business Days] prior to the applicable Interest Payment Date in respect of the relevant Interest Period] (*Note that in the case of SONIA/SOFR/€STR/SORA Linked Interest Notes it is envisaged that the Interest Determination Date shall not be earlier than “p” business days prior to the relevant Interest Payment Date*) (*Note also that no Interest Determination Date should be less than 5 Business Days prior to the related Interest Payment Date, unless otherwise agreed with the Principal Paying Agent*)
- (C) Relevant Screen Page: [●]/[Not Applicable]
- (D) Designated Source: [SONIA Administrator's Website]/[SOFR Administrator's Website]/[€STR Administrator's Website]/[SORA Administrator's Website]/[●]/[Not Applicable]
- (E) Index Determination: [Applicable/Not Applicable]

- (F) Observation Method: [Lag]/[Shift]/[Not Applicable]
- (G) Observation Look-back Period: [Not Applicable]/[Applicable] [*specify number*][[London Business Day[s]] (*in the case of SONIA Linked Interest Notes*)]/[U.S. Government Securities Business Day[s]] (*in the case of SOFR Linked Interest Notes*)]/[TARGET Business Day[s]] (*in the case of €STR Linked Interest Notes*)]/[Singapore Business Day[s]] (*in the case of SORA Linked Interest Notes*)]
- (H) Observation Shift Period: [Not Applicable]/[Applicable] [*specify number*][[London Business Day[s]] (*in the case of SONIA Linked Interest Notes*)]/[U.S. Government Securities Business Day[s]] (*in the case of SOFR Linked Interest Notes*)]/[TARGET Business Day[s]] (*in the case of €STR Linked Interest Notes*)]/[Singapore Business Day[s]] (*in the case of SORA Linked Interest Notes*)]
- (I) Interpolation for Stub Period: [Applicable for the Stub Period]/[Not Applicable]
- Reference Rate 1: [[●] month EURIBOR/ *specify other*]/[Not Applicable]
 - Relevant Screen Page 1: [●]/[Not Applicable]
 - Reference Rate 2: [[●] month EURIBOR/ *specify other*]/[Not Applicable]
 - Relevant Screen Page 2: [●]/[Not Applicable]]/Not Applicable]
- (J) Reference Currency: [[●]/Not Applicable]
- (K) Relevant Centre: [[●]/Not Applicable]
- (L) Designated Maturity: [[●]/Not Applicable]
- (M) Determination Time: [[●] [a.m./p.m.] ([●] time)]/[Not Applicable]

- (N) CMS Rate Fixing Centre(s): [●]
- (O) ISDA Rate: [[●]/Not Applicable]
- (P) ISDA Rate Designated Maturity: [[●]/Not Applicable]
- (x) ISDA Determination:
- (A) Floating Rate Option: [●]
- (B) Designated Maturity: [●]
- (C) Reset Date: [●], subject to adjustment in accordance with the Reset Date Business Day Convention referred to in E) below]
- (D) Interpolation for Stub Period: Applicable for the Stub Period]/[Not Applicable]
- Floating Rate Option 1: [●]
 - Designated Maturity 1: [●]
 - Reset Date 1: [●] [, subject to adjustment in accordance with the Reset Date Business Day Convention referred to in (E) below]
 - Floating Rate Option 2: [●]
 - Designated Maturity 2: [●]
 - Reset Date 2: [●], subject to adjustment in accordance with the Reset Date Business Day Convention referred to in (E) below]
- (E) Reset Date Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Floating Rate Convention/specify other]
- (xi) Margin(s): [[plus/minus] [●] per cent. per annum] [In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●], [plus/minus][●] per cent. per annum]

- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [Actual/Actual (ISDA)
Actual/Actual (ICMA)
Actual/365 (Fixed)
Actual/360
[30/360][360/360][Bond Basis]
30E/360
30E/360 (ISDA)
specify other
[adjusted/unadjusted]
- (xv) Determination Date(s): [[●] in each year]/[Not Applicable]
- (xvi) Additional fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: [●]
17. Zero Coupon/Discount Note Provisions [Applicable/Not Applicable]
- (i) Stated Yield: [●] per cent. per annum
- (ii) Issue Price: [●]
- (iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iv) Business Day(s): [●]
Additional Business Centre(s): [●]
- (v) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Actual/Actual (ICMA)
30/360
Actual/360
Actual/365 (Fixed)
specify other
[adjusted/unadjusted]

- (vi) Any other formula/basis of determining amount payable for Zero Coupon/Discount Notes which are Exempt Notes:
18. Variable Interest Note Provisions [Applicable/Not Applicable]
- (i) Accrual Interest Rate(s): per cent. Fixed Rate
 [[]EURIBOR/*specify other*] +/- [] per cent. Floating Rate
 [*specify other*]
 [In respect of the period from (and including) [the Interest Commencement Date]/[] to (but excluding) [],[]]
- (A) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [[] month []EURIBOR/*specify other*]/Not Applicable]
- Interest Determination Date(s): [[]/Not Applicable] (*Note that no Interest Determination Date should be less than 5 Business Days prior to the related Interest Payment Date, unless otherwise agreed with the Principal Paying Agent*)
- Relevant Screen Page: [[]/Not Applicable]
- (B) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: [], subject to adjustment in accordance with the Reset Date Business Day Convention referred to below]
- Reset Date Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Floating Rate Convention/*specify other*]
- (C) Margin: []/[Not Applicable]
- (D) Minimum Rate of Interest: [[] per cent. per annum/Not Applicable]

- | | | |
|-------|---|--|
| (E) | Maximum Rate of Interest: | [[●] per cent. per annum/Not Applicable] |
| (ii) | Interest Period(s)/Interest Payment Dates: | [●] |
| (iii) | Business Day Convention: | [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Floating Rate Convention/ <i>specify other</i>] |
| (iv) | Business Day:
Additional Business Centre(s): | [●] |
| (v) | Day Count Fraction: | [●] |
| (vi) | Determination Date(s): | [Actual/Actual (ISDA)
Actual/Actual (ICMA)
Actual/365 (Fixed)
30/360
30E/360
30E/360 (ISDA)
<i>specify other</i>]
[adjusted/unadjusted] |
| (vii) | Underlying Reference Rate: | [[●] in each year]/[Not Applicable]
[[●] month [●]EURIBOR/ <i>specify other</i>]/
[SONIA]/[SOFR]/[€STR]/[SORA]/[CMS Reference Rate][<i>specify other</i>] |
- Relevant Screen Page: [[●]/Not Applicable]
 - Designated Source: [[●]/Not Applicable]
 - Reference Currency: [[●]/Not Applicable]
 - Relevant Centre: [[●]/Not Applicable]
 - Designated Maturity: [[●]/Not Applicable]
 - Determination Time: [[●]/Not Applicable]
 - ISDA Rate: [[●]/Not Applicable]

- ISDA Rate Designated Maturity: [[●]/Not Applicable]
 - (viii) Lower Barrier(s): [●]
[In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●], [●]]
 - (ix) Upper Barrier(s): [●]
[In respect of the period from (and including) [the Interest Commencement Date]/[●] to (but excluding) [●], [●]]
 - (x) Rate Cut-off Date: [The [●] [Fixing Business Day]/[calendar day] prior to the Interest Payment Date falling at the end of the relevant Interest Period]
 - (xi) Additional Fixing Business Centre: [[●]/Not Applicable]
 - (xii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Variable Interest Notes which are Exempt Notes, if different from those set out in the Conditions: [●]
19. Convertible Interest Basis Provisions: [Applicable/Not Applicable]
- (i) First Interest Basis: [[Fixed Rate/Floating Rate/Variable Interest] in accordance with paragraph [14/16/18] above and Condition 4(d)]
 - (ii) Second Interest Basis: [[Fixed Rate/Floating Rate/Variable Interest] [in accordance with paragraph [14/16/18] above and Condition 4(d)]
 - (iii) Interest Basis Conversion Date: [●] [subject to adjustment in accordance with the Business Day Convention][subject to no adjustment]

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call [Applicable/Not Applicable]

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) and method of calculation of such amount(s) (if applicable): [[[●] per cent. of [t]/[T]he outstanding aggregate nominal amount of Notes in [●]] (if Notes are represented by a Global Note), [●] per cent. of the Calculation Amount/[●] per Calculation Amount (if Notes are in definitive form)/*specify other/see Annex*]
- (iii) If redeemable in part: [Applicable/Not Applicable]
- (1) Minimum Redemption Amount: [[●] (if Notes are represented by a Global Note), [●] per Calculation Amount (if Notes are in definitive form)]
- (2) Maximum Redemption Amount: [[●] (if Notes are represented by a Global Note), [●] per Calculation Amount (if Notes are in definitive form)]
- (3) Minimum period: [●] days
- (iv) Notice periods: Minimum period: [●] [calendar days]/[Business Days]
Maximum period: [●] [calendar days]/[Business Days]
21. Regulatory Capital Event Call: [Applicable/Not Applicable⁶]
22. Investor Put [Applicable/Not Applicable⁷]
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) and method of calculation of such amount(s) (if applicable): [[[●] per cent. of [t]/[T]he outstanding aggregate nominal amount of Notes in [●]] (if Notes are represented by a Global Note), [●] per cent. of the Calculation Amount/[●] per Calculation Amount (if Notes are in definitive form) *specify other/see Annex*]
- (iii) Notice periods: Minimum period: [●] [calendar days]/[Business Days]
Maximum period: [●] [calendar

⁶ Regulatory Capital Event will be specified as “Not Applicable” in the case of Senior Notes.

⁷ Investor Put will be specified as “Not Applicable” in the case of Notes issued by Santander UK Group Holdings plc.

- days]/[Business Days]
23. Loss Absorption Disqualification Event Call [Applicable/Not Applicable⁸]
- (i) Notice periods: Minimum period: [●] [calendar days]/[Business Days]
Maximum period: [●] [calendar days]/[Business Days]
- (ii) Loss Absorption Disqualification Redemption Amount(s) and method of calculation of such amount(s) (if applicable): [[●] per cent. of [t]/[T]he outstanding aggregate nominal amount of Notes in [●]] (if Notes are represented by a Global Note), [●] per cent. of the Calculation Amount/[●] per Calculation Amount (if Notes are in definitive form) *specify other/see Annex*
- (iii) Basis of exclusion on amendment or change in Loss Absorption Regulation: [Fully excluded/Fully or partially excluded]
24. Clean-up Redemption Option [Applicable/Not Applicable]
- (i) Clean-up Percentage: [As per Condition 6(g)/specify other]
- (ii) Optional Clean-up Redemption Date(s): [●]
- (iii) Optional Clean-up Redemption Amount(s) and method of calculation of such amount(s) (if applicable): [[●] per cent. of [t]/[T]he outstanding aggregate nominal amount of Notes in [●]] (if Notes are represented by a Global Note), [●] per cent. of the Calculation Amount/[●] per Calculation Amount (if Notes are in definitive form)/specify other/see Annex]
- (iv) Notice periods: Minimum period: [●] [calendar days]/[Business Days]
Maximum period: [●] [calendar days]/[Business Days]
25. Final Redemption Amount: [[●] per cent. of [t]/[T]he outstanding aggregate nominal amount of Notes in [●]] (if Notes are represented by a Global Note), [●]

⁸ Loss Absorption Disqualification Event Call will be specified as "Not Applicable" in the case of Senior Notes issued by Santander UK plc and Dated Subordinated Notes.

per cent. of the Calculation Amount/[●] per Calculation Amount (if Notes are in definitive form)/specify other/see Annex]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Form of Notes: [Bearer Notes:
- Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event at the expense of the Issuer]].
- [Temporary Bearer Global Note exchangeable for definitive Bearer Notes on and after the Exchange Date.]
- [Permanent Bearer Global Note exchangeable for definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event at the expense of the Issuer]].
- [Registered Notes:
- Regulation S Global Note ([●] of the Nominal Amount registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg])/Rule 144A Global Note[s] ([●] of the Nominal Amount) registered in the name of a nominee for DTC]
27. New Global Note: [Yes/No]
28. Calculation Agent: [●]/[Not Applicable]
29. Determination Agent: [●]/[Not Applicable]
30. U.S. Selling Restrictions: [Reg. S. Compliance Category 2; TEFRA D/TEFRA C/TEFRA Not Applicable; Rule 144A]
31. Other terms or special conditions: [Not Applicable/give details]

Signed on behalf of the Issuer:

By:
Duly authorised for and on behalf of the Issuer

PART B - OTHER INFORMATION

1. LISTING [Not Applicable/*give details*]

[Not Applicable][Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market - note this should not be a EEA regulated market or the London Stock Exchange's main market*] with effect from [●].]

2. RATINGS

Ratings: [The Notes [are expected to] have the following ratings:

[S & P: [●]]

[Moody's: [●]]

[[Fitch]: [●]]

[Not Applicable]

[The short term unsecured obligations of the Issuer are rated [●] by S&P, [●] by Moody's and [●] by Fitch, and the unsecured unsubordinated long-term obligations of the Issuer are rated [●] by S&P, [●] by Moody's and [●] by Fitch.]

[Each of [●] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended).][Each of [●] is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees [of [*insert relevant fee disclosure*]] payable to [●] (the ["Dealer[s]"/["Manager[s]"]), no person involved in the issue of the Notes has an interest material to the offer. The [Manager[s]/Dealer[s]] and [its/their] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. YIELD (*Fixed Rate Notes only*)

Indication of yield: [●]

5. OPERATIONAL INFORMATION

- (i) ISIN Code:
- (ii) Common Code:
- (iii) CUSIP Code:
- (iv) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking SA and the relevant identification number(s): /Not Applicable
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s) (if any):
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is held under the New Safekeeping Structure for registered global securities,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, that is held under the New Safekeeping Structure for registered global securities]. Note that this does not necessarily mean that the Notes will

then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. DISTRIBUTION

- | | | |
|-------|---|--|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names of Managers: | [Not Applicable/ <i>give names</i>] |
| (iii) | Stabilisation Manager(s) (if any): | [Not Applicable/ <i>give name</i>] |
| (iv) | If non-syndicated, name of relevant Dealer: | [Not Applicable/ <i>give name</i>] |
| (v) | Additional selling restrictions: | [Not Applicable/ <i>give details</i>] |
| (vi) | Prohibition of Sales to Belgian Consumers: | [Applicable/Not Applicable] |

7. U.S. TAX INFORMATION (144A OFFERINGS ONLY)

- | | | |
|-------|-------------------------------------|---------------|
| (i) | Original Issue Discount: | [Yes/No] |
| (ii) | Contingent Payment Debt Instrument: | [Yes/No] |
| (iii) | Intended U.S. Tax Characterisation: | [Debt/equity] |

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of Final Terms” (or, in the case of a Tranche of Exempt Notes, to “Form of Pricing Supplement”) for a description of the content of the applicable Final Terms (or Pricing Supplement, as applicable) which will specify which of such terms are to apply in relation to the relevant Notes. For the avoidance of doubt, any websites (including the contents thereof and/or any successor source) referred to in these Terms and Conditions of the Notes do not form part of this Prospectus.

This Note is one of a Series (as defined below) of Notes issued by either Santander UK Group Holdings plc (“**Santander UK Group Holdings**” or an “**Issuer**”) or Santander UK plc (“**Santander UK**” or an “**Issuer**” and together with Santander UK Group Holdings the “**Issuers**”) constituted by a Trust Deed (such Trust Deed, as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 4 September 2015 and made between Santander UK Group Holdings and Citicorp Trustee Company Limited (the “**Trustee**”, which expression shall include any successor as trustee) as trustee for the holders of the Notes (the “**Noteholders**” or “**holders**”, which expressions shall mean, in relation to Notes in definitive bearer form, the bearers thereof and, in relation to Notes in definitive registered (or inscribed) form, the persons in whose names such Notes are registered and shall, in relation to Notes represented by a Global Note, be construed as provided below). By a Third Supplemental Trust Deed dated 30 August 2017 and made between Santander UK Group Holdings, Santander UK and the Trustee, Santander UK became an Issuer under the Programme (as defined in the Trust Deed).

References herein to “**the Issuer**” shall be to the entity specified as Issuer in the applicable Final Terms (or Pricing Supplement, as applicable) for this Note. Santander UK Group Holdings may issue Dated Subordinated Notes and Senior Notes. Santander UK may issue Senior Notes.

References herein to the “**Notes**” shall be references to the Notes of this Series and shall mean:

1. any global note (a “**Global Note**”) and in relation to any Notes represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency;
2. any definitive Notes in bearer form; and
3. any definitive Notes in registered (or inscribed) form.

The Notes and the Coupons (as defined below) also have the benefit of an Agency Agreement dated 29 April 2022 (such Agency Agreement, as modified and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) whereby the Issuers appoint Citibank, N.A.,

London Branch as issuing and principal paying agent, agent bank, exchange agent (the “**Exchange Agent**”, which expression shall include any successor exchange agent) and as a transfer agent, (the “**Principal Paying Agent**”, which expression shall include any successor paying agent, agent bank, exchange agent and transfer agent), Citibank Europe plc as registrar (the “**Registrar**”, which expression shall include any successor registrar), Citibank Europe plc (the “**Additional Paying Agent**”, which expression shall include any successor additional paying agent) and the other paying agents named therein (the Additional Paying Agent and such other paying agents together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), the other transfer agents named therein (together with the Principal Paying Agent in its capacity as a transfer agent, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents and such Transfer Agents, the Principal Paying Agent, the other Paying Agents and the Registrar being together referred to as the “**Agents**”) and the Trustee.

References to the “**Calculation Agency Agreement**” and “**Determination Agency Agreement**” are to the calculation agency agreement or determination agency agreement (as the case may be) which may be entered into between the Issuers and the calculation agent or, as the case may be, the determination agent to be appointed thereby (the “**Calculation Agent**” and the “**Determination Agent**”, respectively) and the Trustee, the form of which is contained in Schedule 1 to the Agency Agreement.

Interest bearing definitive Bearer Notes (as defined below) have interest coupons (“**Coupons**”) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference in these Terms and Conditions to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes (as defined below) and Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions or, if this Note is a Note which is neither admitted to trading on a (i) regulated market in the European Economic Area or (ii) UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in (x) the European Economic Area or (y) the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (an “**Exempt Note**”), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Terms and Conditions for the purposes of this Note. References to the “**applicable Final Terms**” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in the Terms and Conditions to “**applicable Final Terms**” shall be deemed to include a reference to “**applicable Pricing Supplement**” where relevant. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

Any reference in these Terms and Conditions to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection or collection during normal business hours at the registered office for the time being of the Principal Paying Agent or (ii) may be provided by email to a Noteholder following their prior written request to the Principal Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Principal Paying Agent). If the Notes are to be admitted to trading on the Main Market of the London Stock Exchange plc the applicable Final Terms will be published on the website of the London Stock Exchange plc through a regulatory information service. The applicable Final Terms will be obtainable during normal business hours at the specified office of the Principal Paying Agent by a Noteholder upon such Noteholder producing evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement, the applicable Final Terms and any other documents specified in the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed shall prevail and, in the event of inconsistency between the Trust Deed, the Agency Agreement and the applicable Final Terms, the applicable Final Terms shall prevail.

1. Form, Denomination and Title

The Notes are in bearer form (“**Bearer Notes**”) or in registered (or inscribed) form (“**Registered Notes**”) as specified in the applicable Final Terms in the currency (the “**Specified Currency**”) and the denomination(s) (the “**Specified Denomination(s)**”) specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note (which term shall include a Compounded Daily SONIA Linked Interest Note, a Compounded Daily SOFR Linked Interest Note, a Compounded Daily €STR Linked Interest Note, a Compounded Daily SORA Linked Interest Note or a CMS Linked Interest Note if this Note is specified as such in the applicable Final Terms), a Zero Coupon/Discount Note, a Variable Interest Note, a Convertible Interest Basis Note, a combination of any of the foregoing or a Fixed Rate Reset Note, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon/Discount Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery, and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes are represented by a Bearer Global Note or a Regulation S Global Note held by or on behalf of or, as the case may be, registered in the name of a common nominee for, Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking SA ("**Clearstream, Luxembourg**") (or, as the case may be, a nominee for the common safekeeper), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or, as the case may be, the registered holder of the relevant Regulation S Global Note shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

For so long as any of the Notes are represented by a Rule 144A Global Note registered in the name of The Depository Trust Company of New York ("**DTC**") or its nominee, each person who is for the time being shown in the records of DTC or such nominee as the holder of a particular nominal amount of such Notes shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on, or voting, giving consents or making requests in respect of, such nominal amount of such Notes, for which purpose DTC or, in the case of payments only, its nominee shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of such Registered Global Note, and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

Interests in a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the

case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system specified in the applicable Final Terms or otherwise approved by the Issuer, the Principal Paying Agent, the Registrar and the Trustee.

2. Transfers of Registered Notes

(a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Rule 144A Global Note shall be limited to transfers of such Rule 144A Global Note, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

(b) Transfers of Registered Notes in definitive form

Subject as provided in Condition 2(d), (e) and (f) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part in the Specified Denominations set out in the applicable Final Terms. In order to effect any such transfer:

- (i) the holder or holders must:
 - (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing, and
 - (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent, and
- (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the Registrar or, as

the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form for the same aggregate nominal amount as the Registered Note (or the relevant part of the Registered Note) transferred. In the case of a transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to such address as the transferor may request.

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 6, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by normal uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Transfers of interests in Regulation S Notes

Prior to expiry of the applicable Distribution Compliance Period (as defined below), transfers by the holder of, or of a beneficial interest in, a Regulation S Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate with the consent of the Issuer (a “**Transfer Certificate**”), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such

transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of paragraph (i) above, such transferee may take delivery through a Rule 144A Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(f) Transfers of interests in Rule 144A Notes

Transfers of Rule 144A Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S; or
- (ii) to a transferee who takes delivery of such interest through a Rule 144A Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Rule 144A Notes, or upon specific request for removal of any United States securities law legend enfacéd on Rule 144A Notes, the Registrar shall deliver only Rule 144A Notes or refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither such legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) Definitions

In this Condition, the following expressions shall have the following meanings:

“Distribution Compliance Period” means the period that ends 40 days after the completion of the distribution of each Tranche of Notes;

“**QIB**” means a “qualified institutional buyer” within the meaning of Rule 144A;

“**Regulation S**” means Regulation S under the Securities Act;

“**Regulation S Global Note**” means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

“**Regulation S Note**” means a Note represented by a Regulation S Global Note or a Note issued in registered form in exchange or substitution therefor;

“**Rule 144A**” means Rule 144A under the Securities Act;

“**Rule 144A Global Note**” means a Registered Global Note representing Notes sold in the United States to QIBs pursuant to Rule 144A;

“**Rule 144A Note**” means a Note represented by a Rule 144A Global Note or a Note issued in registered form in exchange or substitution therefor;

“**Securities Act**” means the United States Securities Act of 1933, as amended; and

“**U.S. person**” has the meaning ascribed to it in Regulation S.

3. Status of the Notes

(a) Status of Senior Notes

The Senior Notes (being those Notes the Final Terms in respect of which specify their Status as Senior) and the relative Coupons (if any) are direct, unconditional unsubordinated and unsecured obligations of the Issuer ranking *pari passu* and without any preference among themselves and (subject to any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

(b) Status of Dated Subordinated Notes

The Dated Subordinated Notes (being those Notes the Final Terms in respect of which specify their Status as Dated Subordinated and issued by Santander UK Group Holdings) and the relative Coupons (if any) are direct, subordinated and unsecured obligations of the Issuer ranking *pari passu* and without any preference among themselves. In the event of the winding-up of the Issuer (other than an Approved Winding-up) or the appointment of an administrator of the Issuer where the administrator has given notice that it intends to declare and distribute a dividend, the payment obligations of the Issuer under or arising from the Dated Subordinated Notes and the Trust Deed, including any damages awarded for breach of any obligations in respect of the Dated Subordinated Notes, shall be subordinated in the manner provided in the Trust Deed to the claims of all Senior Creditors of the Issuer, but shall rank at least *pari passu* with all other subordinated obligations or preference shares of the Issuer which constitute (or which, upon issue, constituted or were intended to constitute), or would but for any applicable limitation on the amount of such capital

constitute, Tier 2 Capital (“**Pari Passu Securities**”) and shall rank in priority to the claims of holders of: (i) all subordinated obligations of the Issuer the claims in respect of which rank, or are expressed to rank, junior to the Dated Subordinated Notes; (ii) all obligations of the Issuer which constitute (or which, upon issue, constituted or were intended to constitute), or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital; and (iii) all classes of share capital of the Issuer other than preference shares which are **Pari Passu Securities** (together, the “**Junior Securities**”).

(c) Set-off, etc. (Dated Subordinated Notes)

This Condition 3(c) is only applicable to Dated Subordinated Notes issued by Santander UK Group Holdings.

Subject to applicable law, no holder of the Dated Subordinated Notes and the relative Coupons (if any) may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Dated Subordinated Notes and each holder of the Dated Subordinated Notes and the relative Coupons (if any) shall, by virtue of being the holder of any Dated Subordinated Note and the relative Coupons (if any), be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of the Dated Subordinated Notes and the relative Coupons (if any) by the Issuer is discharged by set-off, such holder shall, unless such payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding-up or administration, the liquidator or administrator, as appropriate of the Issuer for payment to the Senior Creditors in respect of amounts owing to them by the Issuer, and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer, or the liquidator or administrator, as appropriate of the Issuer, for payment to the Senior Creditors in respect of amounts owing to them by the Issuer and accordingly any such discharge shall be deemed not to have taken place.

(d) Set-off, etc. (Senior Notes)

This Condition 3(d) is only applicable to Senior Notes issued by Santander UK Group Holdings.

Subject to applicable law, no holder of the Senior Notes issued by Santander UK Group Holdings and the relative Coupons (if any) may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by Santander UK Group Holdings arising under or in connection with the Senior Notes issued by Santander UK Group Holdings and each holder of the Senior Notes issued by Santander UK Group Holdings and the relative Coupons (if any) shall, by virtue of being the holder of any Senior Note issued by Santander UK Group Holdings and the relative Coupons (if any), be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of the Senior Notes issued by Santander UK Group Holdings and the relative Coupons (if any) by Santander UK Group Holdings is discharged by set-off, such holder shall, unless such payment is prohibited by law, immediately pay an amount equal to

the amount of such discharge to Santander UK Group Holdings or, in the event of its winding-up or administration, the liquidator or administrator, as appropriate of Santander UK Group Holdings, and, until such time as payment is made, shall hold an amount equal to such amount in trust for Santander UK Group Holdings, or the liquidator or administrator, as appropriate of Santander UK Group Holdings and accordingly any such discharge shall be deemed not to have taken place.

In these Conditions:

“Approved Winding-up” means a solvent winding-up of Santander UK Group Holdings solely for the purposes of a reconstruction or amalgamation or the substitution in place of Santander UK Group Holdings of a successor in business of Santander UK Group Holdings, the terms of which reconstruction, amalgamation or substitution (i) have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) and (ii) do not provide that the Dated Subordinated Notes or, where applicable, the Senior Notes issued by Santander UK Group Holdings, shall thereby become payable;

“Capital Rules” means at any time the regulations, requirements, guidelines and policies relating to capital resources requirements or capital adequacy then in effect and applicable to the Group (including, without limitation, any regulations, requirements, guidelines and policies of the Regulator as may from time to time be applicable to the Group);

“Group” means, as the context admits, Santander UK Group Holdings and each other entity which is part of the UK prudential consolidation group (as that term, or its successor, is used in the Capital Rules) or the UK resolution group (as that term, or its successor, is used in the Loss Absorption Regulations) of which Santander UK Group Holdings is part from time to time;

“Regulator” means, as the context admits, the Prudential Regulation Authority of the UK, the Bank of England or such successor or other authority having primary responsibility with respect to prudential or resolution matters concerning the Issuer and/or the Group;

“Senior Creditors” means creditors of Santander UK Group Holdings (a) who are unsubordinated creditors of Santander UK Group Holdings; or (b) who are subordinated creditors of Santander UK Group Holdings (other than those whose claims constitute, or would but for any applicable limitation on the amount of any such capital constitute, Tier 1 Capital or Tier 2 Capital or whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the holders of the Dated Subordinated Notes);

“Tier 1 Capital” has the meaning given to it in the Capital Rules;

“Tier 2 Capital” has the meaning given to it in the Capital Rules; and

the expression **“obligations”** includes any direct or indirect obligations of the Issuer and whether by way of guarantee, indemnity, other contractual support arrangement or otherwise and regardless of name or designation.

4. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date (which, unless otherwise specified in the applicable Final Terms, shall be the Issue Date) at the rate(s) per annum equal to the Rate(s) of Interest (in each case for the period(s) specified in the applicable Final Terms) payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on such date will amount to the Fixed Coupon Amount. In the case of any long or short interest period (the “**Stub Period**”), payments of interest on the relevant Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified in respect of such Stub Period.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the applicable Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (I) the Fixed Rate Notes represented by such Global Note or (II) such Registered Notes; or
- (B) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the number by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“**sub-unit**” means: (a) with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency; and (b) with respect to euro, one cent.

As used in the Conditions, “**Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, or such other period specified as the “**Interest Period**” in the applicable Final Terms.

(b) Interest on Fixed Rate Reset Notes

- (i) Each Fixed Rate Reset Note bears interest:
- (a) from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Final Terms shall be the Issue Date) to (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
 - (b) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date, at the rate per annum equal to the First Reset Rate of Interest; and
 - (c) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

in each case, payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of each Interest Period ending on or before the First Reset Date will amount to the Fixed Coupon Amount. In the case of any long or short interest period (the “**Stub Period**”), payments of interest on the relevant Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified in respect of such Stub Period.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the applicable Rate of Interest to:

- (A) in the case of Fixed Rate Reset Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (I) the Fixed Rate Reset Notes represented by such Global Note or (II) such Registered Notes; or
- (B) in the case of Fixed Rate Reset Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Reset Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Reset Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount

and the number by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“**sub-unit**” means: (a) with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency; and (b) with respect to euro, one cent.

As used in the Conditions, “**Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, or such other period specified as the “Interest Period” in the applicable Final Terms.

(ii) Fallbacks (Mid-Swap Rate)

If Mid-Swap Rate is specified as the Reset Rate in the applicable Final Terms and the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, in each case as at approximately 11.00 a.m. in the principal financial centre of the Relevant Currency on any Reset Determination Date:

(A) unless both a Mid-Swap Index Cessation Event and the related Mid-Swap Index Cessation Event Effective Date have occurred, the Mid-Swap Rate will be determined by the Calculation Agent by reference to:

(I) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Relevant Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on a date determined by the Calculation Agent reflecting prevailing market practice for swaps in the Relevant Currency,

which appeared on the Relevant Screen Page; or

(II) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Relevant Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on a date determined by the Calculation Agent reflecting prevailing market practice for swaps in the Relevant Currency,

which appeared on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Relevant Currency on the last Business Day for which such rate(s) was/were available on the Relevant Screen Page immediately preceding the relevant Reset Determination Date; or

- (B) if both a Mid-Swap Index Cessation Event and the related Mid-Swap Index Cessation Event Effective Date have occurred, the Mid-Swap Rate for the relevant Reset Determination Date will be determined by the Calculation Agent as the rate for swaps in the Relevant Currency:
- (I) with a term equal to the relevant Reset Period; and
 - (II) commencing on the relevant Reset Date,

which appears on the Relevant Replacement Screen Page as at approximately 11.00 a.m. in the principal financial centre of the Relevant Currency on such Reset Determination Date, provided that if no such Relevant Replacement Screen Page is available or the applicable swap rate does not appear on the Relevant Replacement Screen Page, in each case as at approximately 11.00 a.m. in the principal financial centre of the Relevant Currency on the relevant Reset Determination Date, (1) the First Reset Rate of Interest (if applicable) shall be determined by the Calculation Agent as a rate equal to the Initial Rate of Interest, or (2) any Subsequent Reset Rate of Interest (if applicable) shall be determined by the Calculation Agent as a rate equal to the Rate of Interest as at the last preceding Reset Date.

In addition if, in connection with any Mid-Swap Index Cessation Event, an Alternative Reference Rate has been determined by the Issuer in connection with a Reference Rate Modification pursuant to Condition 14(c), the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall, with effect on and from the applicable Mid-Swap Index Cessation Event Effective Date (and with respect to all Reset Periods commencing on and/or after such date) and notwithstanding the foregoing provisions of this Condition 4(b)(ii), be determined by the Calculation Agent by reference to such Alternative Reference Rate and taking into account any other Reference Rate Modification(s) pursuant to Condition 14(c).

- (iii) Fallbacks (Benchmark Gilt Rate and Reference Bond)

If either Benchmark Gilt Rate or Reference Bond is specified as the Reset Rate in the applicable Final Terms and the Relevant Screen Page is not available or the bid and/or offered yield(s) to maturity of the Benchmark Gilt or the Reference Bond, as applicable, do(es) not appear on the Relevant Screen Page, in each case as at 11.00 a.m. (London time or, in the case of the Reference Bond, in the principal financial centre of the Relevant Currency) on any Reset Determination Date:

- (A) the Benchmark Gilt Rate or the Reference Bond Rate, as applicable, for the relevant Reset Period shall be determined by the Calculation Agent from the arithmetic mean of the bid and offered yields to maturity of the Benchmark Gilt or the Reference Bond, as applicable, directly quoted on the Relevant Screen Page as at 11.00 a.m. (London time or, in the case of the Reference Bond, in the principal financial centre of the Relevant Currency) on the last Business Day for which such rates were available on the Relevant Screen Page immediately preceding the relevant Reset Determination Date; or
 - (B) if such bid and offered yields to maturity of the Benchmark Gilt or the Reference Bond, as applicable, do not appear on the Relevant Screen Page, the Benchmark Gilt Rate or the Reference Bond Rate, as applicable, for the relevant Reset Period shall be determined by the Calculation Agent on the basis of yields to maturity of the Benchmark Gilt or the Reference Bond Rate, as applicable, directly quoted on a screen page, display page or other information service as is selected by the Issuer (with the advice of an independent investment bank of international repute) as being an information service customarily used at such time in connection with primary market issuances to determine yields on (in the case of the Benchmark Gilt Rate) United Kingdom government securities or (in the case of the Reference Bond Rate) government securities issued by the government of the state responsible for issuing the Relevant Currency (which, if the Relevant Currency is euro, shall be Germany); or
 - (C) if no screen page, display page or other information service is selected by the Issuer as described in sub-paragraph (B) above, the Benchmark Gilt Rate or the Reference Bond Rate, as applicable, for the relevant Reset Period shall be determined by the Calculation Agent in accordance with generally accepted market practice on the basis of a yield to maturity of the Benchmark Gilt or the Reference Bond, as applicable, equal to the Bond Yield.
- (iv) The Principal Paying Agent or, where specified in these Conditions or the applicable Final Terms, the Calculation Agent will at, or as soon as practicable after, the Determination Time on each Reset Determination Date, determine the applicable Rate of Interest for the relevant Reset Period. The Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Reset Period as soon as practicable after calculating the same.
 - (v) The Principal Paying Agent will cause the Rate of Interest for each Reset Period to be notified to the Issuer and, if required by applicable law or regulation, any stock exchange or other relevant authority on which the relevant Notes are for the time being listed or by which they have been admitted to listing and, if applicable, notice thereof to be published in accordance with Condition 13 as soon as possible after their determination, but in no event later than the fourth London Business Day thereafter. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a

Sunday) on which banks and foreign exchange markets are open for business in London.

- (vi) If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest pursuant to this Condition 4(b), the Rate of Interest shall be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the Rate of Interest shall be the Initial Rate of Interest.
- (vii) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Principal Paying Agent or the Calculation Agent or the Trustee or its agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the Principal Paying Agent and the Calculation Agent, the other Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent or the Trustee or its agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions pursuant to such provisions.
- (viii) For the purposes of this Condition 4(b):

“Benchmark Gilt” means, in respect of a Reset Period, such United Kingdom government security having a maturity date on or about the last day of such Reset Period as the Issuer, with the advice of an independent investment bank of international repute, may determine to be appropriate;

“Benchmark Gilt Rate” means, in respect of a Reset Period and subject to Condition 4(b)(iii), the mid-market yield to maturity of the Benchmark Gilt, expressed as a percentage (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) and as determined by the Calculation Agent from the arithmetic mean of the bid and offered yields to maturity of the Benchmark Gilt directly quoted on the Relevant Screen Page as at 11.00 a.m. (London time) on the relevant Reset Determination Date;

“Bond Dealer” means each of five banks which are primary government securities dealers or market makers in pricing bond issuances, as selected by the Issuer in its sole discretion;

“Bond Dealer Quotations” means, with respect to each Bond Dealer, the arithmetic mean, as determined by the Calculation Agent, of the bid and offered yields (expressed in each case as a percentage of its nominal amount) for the Benchmark Gilt or Reference Bond, as applicable, as at approximately 11.00 a.m. (London time or, in the case of the Reference Bond, in the principal financial centre of the Relevant Currency) on the relevant Reset Determination Date and quoted in writing to the Calculation Agent by such Bond Dealer at the request of the Issuer;

“Bond Yield” means (a) the arithmetic mean of the Bond Dealer Quotations for the relevant Reset Determination Date, after excluding the highest and lowest such Bond Dealer Quotations or (b) if the Calculation Agent receives fewer than four such Bond Dealer Quotations, the arithmetic mean of all such quotations (or, if the Calculation Agent receives only one such Bond Dealer Quotation, the relevant Bond Dealer Quotation);

“Calculation Agent” shall have the meaning specified in the applicable Final Terms;

“First Margin” means the margin specified in the applicable Final Terms;

“First Reset Date” means the date specified in the applicable Final Terms;

“First Reset Period” means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date;

“First Reset Rate of Interest” means, in respect of the First Reset Period and subject to Conditions 4(b)(ii) and (iii) (where applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate and the First Margin;

“Initial Rate of Interest” has the meaning specified in the applicable Final Terms;

“Mid-Swap Floating Leg Original Benchmark Rate” means the reference rate specified in the applicable Final Terms;

“Mid-Swap Index Cessation Event” means the occurrence of one or more of the following events in respect of any Mid-Swap Rate or Mid-Swap Floating Leg Original Benchmark Rate:

- (1) a public statement or publication of information by or on behalf of the administrator of the Mid-Swap Rate or the Mid-Swap Floating Leg Original Benchmark Rate (as applicable) announcing that it has ceased or will cease to provide or publish such rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide such rate; or
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Mid-Swap Rate or the Mid-Swap Floating Leg Original Benchmark Rate (as applicable), the central bank for the Relevant Currency, an insolvency official with jurisdiction over the administrator of the Mid-Swap Rate or the Mid-Swap Floating Leg Original Benchmark Rate (as applicable), a resolution authority with jurisdiction over the administrator of the Mid-Swap Rate or the Mid-Swap Floating Leg Original Benchmark Rate (as applicable) or a court or an entity with similar insolvency or resolution authority over the administrator of the Mid-Swap Rate or the Mid-Swap Floating Leg Original Benchmark Rate (as applicable), which states that such administrator has ceased or will cease to provide such rate permanently or indefinitely, provided

that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Mid-Swap Rate or the Mid-Swap Floating Leg Original Benchmark Rate (as applicable);

“Mid-Swap Index Cessation Event Effective Date” means the first date on which any applicable Mid-Swap Rate or Mid-Swap Floating Leg Original Benchmark Rate is, permanently or indefinitely, no longer provided by the administrator of such rate (or any successor administrator of such rate) (and, for the avoidance of doubt, a Mid-Swap Index Cessation Event Effective Date shall not occur solely by virtue of a public statement or publication that an applicable Mid-Swap Rate or Mid-Swap Floating Leg Original Benchmark Rate will, in the future, cease to be so provided);

“Mid-Swap Rate” means, in relation to a Reset Determination Date and subject to Condition 4(b)(ii), either:

(i) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Relevant Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(ii) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Relevant Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Relevant Currency on such Reset Determination Date, all as determined by the Calculation Agent;

“Rate of Interest” means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

“Reference Bond” means for any Reset Period a government security or securities issued by the government of the state responsible for issuing the Relevant Currency (which, if the Relevant Currency is euro, shall be Germany) selected by the Issuer in its discretion (having consulted with a bank that is a primary government securities dealer or market maker in pricing government securities issuances) as having an actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Calculation Agent, after consultation with the Issuer) would be utilised, at the time

of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Relevant Currency and of a comparable maturity to the relevant Reset Period;

“Reference Bond Rate” means, in respect of a Reset Period and subject to Condition 4(b)(iii), the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, expressed as a percentage (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) and as determined by the Calculation Agent from the arithmetic mean of the bid and offered yields to maturity of the Reference Bond directly quoted on the Relevant Screen Page as at 11.00 a.m. in the principal financial centre of the Relevant Currency on the relevant Reset Determination Date;

“Relevant Body” means the central bank for the Relevant Currency (or any successor thereof) or any relevant committee or other body established, sponsored or approved by such central bank (or any successor thereof), in each case for the purpose of recommending a replacement for the Mid-Swap Rate and/or the Mid-Swap Floating Leg Original Benchmark Rate, as applicable;

“Relevant Currency” means the currency specified in the applicable Final Terms or, if none is specified, the currency in which the Notes are denominated;

“Relevant Replacement Screen Page” means:

- (i) such screen page, display page or other information service as is selected by the Issuer and notified to Noteholders in accordance with Condition 13 and which displays the mean of the bid and offered rates for a fixed-for-floating interest rate swap transaction in the Relevant Currency which transaction has a floating leg based on the benchmark rate formally recommended by the Relevant Body as the replacement for the Mid-Swap Floating Leg Original Benchmark Rate (inclusive of any spread(s) or adjustment(s) recommended by the Relevant Body); or
- (ii) if such a screen page, display page or other information service as is referred to in sub-paragraph (i) of this definition is not available at the relevant time, such screen page, display page or other information service as is formally recommended by the Relevant Body for use in connection with the occurrence of a Mid-Swap Index Cessation Event in respect of the Mid-Swap Floating Leg Original Benchmark Rate and which displays the mean of the bid and offered rates for a fixed-for-floating interest rate swap transaction in the Relevant Currency (whether or not the floating leg of such swap transaction is based on the benchmark rate formally recommended by the Relevant Body as the replacement for the Mid-Swap Floating Leg Original Benchmark Rate);

“Relevant Screen Page” has the meaning specified in the applicable Final Terms;

“Reset Date” means the First Reset Date, the Second Reset Date (if any) and each Subsequent Reset Date (if any), as applicable, in each case as adjusted in accordance with Condition 4(f);

“Reset Determination Date” means, unless otherwise stated in the applicable Final Terms, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

“Reset Period” means the First Reset Period or a Subsequent Reset Period, as the case may be;

“Reset Rate” means:

- (i) if Mid-Swap Rate is specified in the applicable Final Terms, the relevant Mid-Swap Rate;
- (ii) if Benchmark Gilt Rate is specified in the applicable Final Terms, the relevant Benchmark Gilt Rate;
- (iii) if Reference Bond is specified in the applicable Final Terms, the relevant Reference Bond Rate; or
- (iv) if U.S. Treasury Rate is specified in the applicable Final Terms, the relevant U.S. Treasury Rate;

“Second Reset Date” means the date specified in the applicable Final Terms;

“Subsequent Margin” means the margin specified in the applicable Final Terms;

“Subsequent Reset Date” means the date or dates specified in the applicable Final Terms;

“Subsequent Reset Period” means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date (or, if no such Subsequent Reset Date is specified in the applicable Final Terms, the Maturity Date), and each successive period (if any) from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (or, if no such Subsequent Reset Date is specified in the applicable Final Terms, the Maturity Date);

“Subsequent Reset Rate of Interest” means, in respect of any Subsequent Reset Period and subject to Conditions 4(b)(ii) and (iii) (where applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate and the relevant Subsequent Margin; and

“U.S. Treasury Rate” means, in respect to a Reset Period and related Reset Determination Date, the rate per annum calculated by the Calculation Agent equal to the average of the yields on actively traded U.S. Treasury securities adjusted to constant maturity, for a maturity comparable with the Reset Period, for the five business days immediately prior to the Reset Determination Date and appearing under the caption "Treasury constant maturities" at 11.00 a.m. (New York time) on the Reset

Determination Date in the applicable most recently published statistical release designated "H.15 Daily Update", or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption "Treasury Constant Maturities", for a maturity comparable with the Reset Period.

If the U.S. Treasury Rate cannot be determined, for whatever reason, as described above, "U.S. Treasury Rate" means the rate in percentage per annum as notified by the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity comparable with the Reset Period as set forth in the most recently published statistical release designated "H.15 Daily Update" under the caption "Treasury constant maturities" (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury constant maturities" for the maturity comparable with the Reset Period) and as at 11.00 a.m. (New York time) on the last available date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

(c) Interest on Floating Rate Notes and Variable Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note and Variable Interest Note bears interest from (and including) the Interest Commencement Date (which, unless otherwise specified in the applicable Final Terms, shall be the Issue Date) and such interest will be payable in arrear on either:

- (A) the Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Interest Payment Date specified in the applicable Final Terms, an "**Interest Payment Date**") which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, "**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, or such other period specified as the "Interest Period" in the applicable Final Terms.

(ii) Rate of Interest

The Rate of Interest payable from time to time will be determined (i) in respect of Floating Rate Notes, in the manner specified in the applicable Final Terms

and (ii) in respect of Variable Interest Notes, in the manner described in sub-paragraph (C).

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be (1) if Straight Floating Rate is specified as being applicable in the applicable Final Terms, the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any), (2) if Inverse Floating Rate is specified as being applicable in the applicable Final Terms, the Set IFRN Rate specified in the applicable Final Terms minus the relevant ISDA Rate, (3) if Leveraged Floating Rate is specified as being applicable in the applicable Final Terms, the product of the Leverage Factor specified in the applicable Final Terms and the relevant ISDA Rate, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), or (4) if Leveraged Inverse Floating Rate is specified as being applicable in the applicable Final Terms, the difference between (i) the Set IFRN Rate specified in the applicable Final Terms and (ii) the product of the Leverage Factor specified in the applicable Final Terms and the relevant ISDA Rate.

For the purposes of this sub-paragraph (A):

“ISDA Rate” for an Interest Period (other than a Stub Period) means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series, (the **“ISDA Definitions”**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) unless otherwise stated in the applicable Final Terms, the relevant Reset Date is the first day of that Interest Period and, if so specified in the applicable Final Terms, the relevant Reset Date shall be subject to adjustment in accordance with the Reset Date Business Day Convention specified in the applicable Final Terms.

“ISDA Rate” for a Stub Period means a rate calculated by the Principal Paying Agent or (if specified in the applicable Final Terms) the Calculation Agent or Determination Agent, as applicable, by means of linear interpolation of the relevant ISDA Rate 1 and the relevant ISDA Rate 2 in accordance with market convention.

“ISDA Rate 1” and **“ISDA Rate 2”** shall be determined for a Stub Period pursuant to this sub-paragraph (A) on the same basis as the determination of the **“ISDA Rate”** for an Interest Period that is not a Stub Period save that references in this sub-paragraph (A) to the Floating Rate Option, the Designated Maturity and the Reset Date shall be (i) in the case of the ISDA Rate 1, to the Floating Rate Option 1, the Designated Maturity 1 and the Reset Date 1, respectively, and (ii) in the case of the ISDA Rate 2, the Floating Rate Option 2, the Designated Maturity 2 and the Reset Date 2, respectively, in each case as specified in the applicable Final Terms.

“Stub Period” shall have the meaning specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **“Floating Rate”**, **“Calculation Agent”**, **“Floating Rate Option”**, **“Designated Maturity”** and **“Reset Date”** have the meanings given to those terms in the ISDA Definitions, and **“Margin”**, **“Set IFRN”** and **“Leverage Factor”** have the meanings given to those terms in the applicable Final Terms.

- (B) Screen Rate Determination for Floating Rate Notes
- (I) Floating Rate Notes referencing EURIBOR
- (i) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as being EURIBOR for any period, the Rate of Interest for each Interest Period will, subject as provided below, be (1) if Straight Floating Rate is specified as being applicable in the applicable Final Terms, the relevant Screen Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any), (2) if Inverse Floating Rate is specified as being applicable in the applicable Final Terms, the Set IFRN Rate specified in the applicable Final Terms minus the relevant Screen Rate, (3) if Leveraged Floating Rate is specified as being applicable in the applicable Final Terms, the product of the Leverage Factor specified in the applicable Final Terms and the relevant Screen Rate, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), or (4) if Leveraged Inverse Floating Rate is specified as being applicable in the

applicable Final Terms, the difference between (i) the Set IFRN Rate specified in the applicable Final Terms and (ii) the product of the Leverage Factor specified in the applicable Final Terms and the relevant Screen Rate, in each case as determined by the Principal Paying Agent.

“Screen Rate” for an Interest Period (other than a Stub Period) means, subject as provided below, the published rate (expressed as a percentage rate per annum) for the Reference Rate which appears on the Relevant Screen Page as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question, as determined by the Principal Paying Agent. **“Screen Rate”** for a Stub Period means, subject as provided below, a rate calculated by the Principal Paying Agent or (if specified in the applicable Final Terms) the Calculation Agent or Determination Agent, as applicable, by means of linear interpolation of the relevant Screen Rate 1 and the relevant Screen Rate 2 in accordance with market convention.

“Screen Rate 1” and **“Screen Rate 2”** shall be determined for a Stub Period pursuant to this sub-paragraph (B)(I) on the same basis as the determination of the “Screen Rate” for an Interest Period that is not a Stub Period save that references in this sub-paragraph (B)(I) to the Reference Rate and the Relevant Screen Page shall be (i) in the case of the Screen Rate 1, to the Reference Rate 1 and the Relevant Screen Page 1, respectively, and (ii) in the case of the Screen Rate 2, to the Reference Rate 2 and the Relevant Screen Page 2, respectively, in each case as specified in the applicable Final Terms.

(ii) Fallbacks

If either (x) in the case of an Interest Period other than a Stub Period, the Relevant Screen Page is not available or if no published rate for the Reference Rate appears on the Relevant Screen Page, in each case as at 11.00 a.m. (Brussels time) on the relevant Interest Determination Date in question, or (y) in the case of a Stub Period, either Relevant Screen Page 1 or Relevant Screen Page 2 is not available or if no published rate for Reference Rate 1 or Reference Rate 2 appears on Relevant Screen Page 1 or Relevant Screen Page 2, respectively, in each case as at 11.00 a.m. (Brussels

time) on the relevant Interest Determination Date in question:

- (1) unless both an Index Cessation Event and the related Index Cessation Event Effective Date have occurred, the Rate of Interest shall be determined by the Principal Paying Agent by reference to the published rate(s) for (x) in the case of an Interest Period other than a Stub Period, the Reference Rate, or (y) in the case of a Stub Period, Reference Rate 1 and Reference Rate 2, which appeared on the Relevant Screen Page or Relevant Screen Page 1 and Relevant Screen Page 2, as applicable, as at 11.00 a.m. (Brussels time) on the last preceding Brussels Business Day for which the applicable reference rate(s) was (or were) so available on the relevant screen page(s); or
- (2) if both an Index Cessation Event and the related Index Cessation Event Effective Date have occurred, the Rate of Interest shall be determined by the Principal Paying Agent as if references in these Conditions and/or the applicable Final Terms to "EURIBOR" for any applicable period were references to the rate (inclusive of any spread(s) or adjustment(s)) that was recommended as the replacement for EURIBOR for the relevant period by the Relevant Body (and each such replacement rate having been notified in writing by the Issuer to the Principal Paying Agent), provided that if no such rate has been so recommended by the Relevant Body before the end of the first Interest Determination Date following the relevant Index Cessation Event Effective Date, the Rate of Interest to be determined on such Interest Determination Date (and any other Interest Determination Date occurring prior to such recommendation having been made) shall be determined by the Principal Paying Agent by reference to the published rate(s) for (x) in the case of an Interest Period other than a Stub Period, the Reference Rate, or (y) in the case of a Stub Period, Reference Rate 1 and Reference Rate 2, as the case may be, which appeared on the Relevant Screen Page or on Relevant Screen Page 1 and Relevant Screen Page 2, as applicable, as at 11.00 a.m. (Brussels time)

on the last preceding Brussels Business Day for which the applicable reference rate(s) was (or were) so available on the relevant screen page(s).

In addition, if, in connection with any Index Cessation Event, an Alternative Reference Rate has been determined by the Issuer in connection with a Reference Rate Modification pursuant to Condition 14(c), each Rate of Interest shall, with effect on and from the applicable Index Cessation Event Effective Date (and with respect to all Interest Periods commencing on and/or after such date) and notwithstanding the foregoing provisions of this Condition, be determined by the Principal Paying Agent by reference to such Alternative Reference Rate and taking into account any other Reference Rate Modification(s) pursuant to Condition 14(c).

(iii) For the purposes of this sub-paragraph (B)(I):

“Brussels Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Brussels;

“Index Cessation Event” means the occurrence of one or more of the following events in respect of EURIBOR for any applicable period:

- (1) a public statement or publication of information by or on behalf of the administrator of EURIBOR announcing that it has ceased or will cease to provide or publish EURIBOR for such period permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide EURIBOR for such period; or
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of EURIBOR, the central bank for the currency of euro, an insolvency official with jurisdiction over the administrator of EURIBOR, a resolution authority with jurisdiction over the administrator of EURIBOR or a court or an entity with similar insolvency or resolution authority over the administrator of EURIBOR, which states that the administrator of EURIBOR

has ceased or will cease to provide EURIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide EURIBOR;

“Index Cessation Event Effective Date” means the first date on which EURIBOR for any applicable period is, permanently or indefinitely, no longer provided by the administrator of EURIBOR (or any successor administrator of EURIBOR);

“Interest Determination Date” shall have the meaning specified in the applicable Final Terms provided that, if any day specified as an Interest Determination Date in the applicable Final Terms is not a Brussels Business Day, the relevant Interest Determination Date shall be the immediately preceding Brussels Business Day;

“Leverage Factor” shall have the meaning specified in the applicable Final Terms;

“Margin” shall have the meaning specified in the applicable Final Terms;

“Reference Rate” shall mean the Euro- zone interbank offered rate (**“EURIBOR”**) for the relevant period, as specified in the applicable Final Terms;

“Relevant Body” means the European Central Bank (or any successor thereof) or any relevant committee or other body established, sponsored or approved by the European Central Bank (or any successor thereof), in each case for the purpose of recommending a replacement for EURIBOR (or, as the case may be, EURIBOR for any applicable period);

“Relevant Screen Page” shall have the meaning specified in the applicable Final Terms;

“Set IFRN Rate” shall have the meaning specified in the applicable Final Terms; and

“Stub Period” shall have the meaning specified in the applicable Final Terms.

(II) Floating Rate Notes which are SONIA Linked Interest Notes

(i) Compounded Daily SONIA (Non-Index Determination)

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SONIA and Index Determination is specified in the applicable Final Terms as being Not Applicable, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent or Determination Agent (as applicable).

For the purposes of this sub-paragraph (B)(II)(i):

“Compounded Daily SONIA” means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent or Determination Agent (as applicable) on the Interest Determination Date (a) as further specified in the applicable Final Terms; or (b) in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{Daily SONIA} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” means the number of calendar days in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant SONIA Observation Period;

“Daily SONIA” means:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, SONIA_i-pLBD; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, SONIA_i;

“**d₀**” means the number of London Business Days in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant SONIA Observation Period;

“**Designated Source**” means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available SONIA, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

“**i**” means a series of whole numbers from one to d₀, each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant SONIA Observation Period;

“**London Business Day**” means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**Margin**” shall have the meaning specified in the applicable Final Terms;

“ n_i ” means, for any London Business Day “ i ”, the number of calendar days from (and including) such London Business Day “ i ” up to (but excluding) the following London Business Day;

“ p ” means the number of London Business Days included in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the Observation Look-back Period specified in the applicable Final Terms; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the Observation Shift Period specified in the applicable Final Terms;

“**SONIA Administrator**” means the Bank of England or any successor administrator of SONIA;

“**SONIA Observation Period**” means, in respect of an Interest Period, the period from (and including) the date falling “ p ” London Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on (and include) the Interest Commencement Date) to (but excluding) the date falling “ p ” London Business Days prior to (A) the Interest Payment Date for such Interest Period (and the last Interest Period shall end on (but exclude) the Maturity Date) or (B) such earlier date, if any, on which the Notes become due and payable;

“**SONIA reference rate**” means, in respect of any London Business Day “ x ”, a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Business Day “ x ” as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the London Business Day immediately following such London Business Day “ x ”;

“**SONIA _{i}** ” means (unless otherwise specified in the applicable Final Terms), in respect of any London Business Day “ i ” falling in the relevant SONIA Observation Period, the SONIA reference rate for such London Business Day “ i ”; and

"SONIA_{i-pLBD}" means (unless otherwise specified in the applicable Final Terms), in respect of any London Business Day "i" falling in the relevant Interest Period, the SONIA reference rate for the London Business Day falling "p" London Business Days prior to such London Business Day "i".

Fallbacks

- (a) Subject to sub-paragraph (d) below, where this Condition 4(c)(ii)(B)(II)(i) (*Compounded Daily SONIA (Non-Index Determination)*) applies, if, in respect of any London Business Day in the relevant SONIA Observation Period or the relevant Interest Period, as applicable, the Calculation Agent or the Determination Agent (as applicable) determines that the SONIA reference rate is not available on the Designated Source, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Business Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.
- (b) Notwithstanding sub-paragraph (a) above and subject to sub-paragraph (d) below, in the event the SONIA Administrator publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Calculation Agent or the Determination Agent (as applicable) shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily SONIA for the purpose of the Notes for so long as the SONIA reference rate is not available or has not been published, displayed or made available on the Designated Source. To the extent that any amendments or

modifications to the Conditions or the transaction documents are required in order for the Calculation Agent or the Determination Agent (as applicable) to follow such guidance in order to determine Daily SONIA, the Calculation Agent or the Determination Agent (as applicable) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions, the Trust Deed, the Agency Agreement and any Calculation Agency Agreement or Determination Agency Agreement.

- (c) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent or the Determination Agent (as applicable) and subject to sub-paragraph (d) below, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).
- (d) If, in connection with any Index Cessation Event, an Alternative Reference Rate has been determined by the Issuer in connection with a Reference Rate Modification pursuant to Condition 14(c), each Rate of Interest shall, with effect on and from the applicable Index Cessation Event Effective Date (and with

respect to all Interest Periods commencing on and/or after such date) and notwithstanding the foregoing provisions of this Condition, be determined by the Calculation Agent or the Determination Agent (as applicable) by reference to such Alternative Reference Rate and taking into account any other Reference Rate Modification(s) pursuant to Condition 14(c).

- (e) For the purposes of this Condition 4(c)(ii)(B)(II)(i):

“Index Cessation Event” means the occurrence of one or more of the following events in respect of SONIA:

- (1) a public statement or publication of information by or on behalf of the SONIA Administrator announcing that it has ceased or will cease to provide or publish the SONIA reference rate for such period permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the SONIA reference rate for such period; or
- (2) a public statement or publication of information by the regulatory supervisor for the SONIA Administrator, an insolvency official with jurisdiction over the SONIA Administrator, a resolution authority with jurisdiction over the SONIA Administrator or a court or an entity with similar insolvency or resolution authority over the SONIA Administrator, which states that the SONIA Administrator has ceased or will cease to provide the SONIA reference rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the SONIA reference rate; and

“Index Cessation Event Effective Date”

means the first date on which the SONIA reference rate is, permanently or indefinitely, no longer provided by the SONIA Administrator.

(ii) **Compounded Daily SONIA (Index Determination)**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SONIA and Index Determination is specified in the applicable Final Terms as being Applicable, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily SONIA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent or Determination Agent (as applicable).

For the purposes of this sub-paragraph (B)(II)(ii):

“Compounded Daily SONIA Rate” means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average (“**SONIA**”) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent or Determination Agent (as applicable) on the Interest Determination Date (a) as further specified in the applicable Final Terms; or (b) in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left(\frac{SONIA\ Index_{End}}{SONIA\ Index_{Start}} - 1 \right) \times \frac{365}{d}$$

where:

“d” means the number of calendar days from (and including) the day in relation to which SONIA Index_{Start} is determined to (but excluding) the day in relation to which SONIA Index_{End} is determined;

“Designated Source” means the screen page, display page or other information service of a distributor or other information service provider that is authorised by

the SONIA Administrator to publish or otherwise make available the SONIA Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

“London Business Day” means any day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“p” is the number of London Business Days included in the Observation Look-back Period specified in the applicable Final Terms;

“SONIA Administrator” means the Bank of England or any successor administrator of SONIA;

“SONIA Index” means, unless otherwise defined in the applicable Final Terms, the screen rate or index for compounded daily SONIA rates as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

“SONIA Index_{Start}” means, with respect to an Interest Period, the SONIA Index determined in relation to the day falling “p” London Business Days prior to the first day of such Interest Period; and

“SONIA Index_{End}” means, with respect to an Interest Period, the SONIA Index determined in relation to the day falling “p” London Business Days prior to (A) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable.

Fallback

If the relevant SONIA Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SONIA Administrator or the relevant Designated Source or other information service provider, as the case may be)

on the relevant Interest Determination Date, the Compounded Daily SONIA Rate for the applicable Interest Period for which the SONIA Index is not available shall be "Compounded Daily SONIA" determined in accordance with Condition 4(c)(ii)(B)(II)(i) (*Compounded Daily SONIA (Non-Index Determination)*) above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift" and (ii) the "Observation Look-Back Period" shall be deemed to be equal to "p" London Business Days, as if those alternative elections had been made in the applicable Final Terms.

(iii) General

If any Notes in respect of which "Compounded Daily SONIA" is specified as the Reference Rate in the applicable Final Terms become due and payable in accordance with Condition 9 (*Events of Default and Enforcement*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(III) Floating Rate Notes which are SOFR Linked Interest Notes

(i) Compounded Daily SOFR (Non-Index Determination)

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR and Index Determination is specified in the applicable Final Terms as being Not Applicable, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent or Determination Agent (as applicable).

For the purposes of this sub-paragraph (B)(III)(i):

"Compounded Daily SOFR" means, in relation to an Interest Period, the rate of return of a daily compound

interest investment (with the daily Secured Overnight Financing Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent or Determination Agent (as applicable) on the Interest Determination Date (a) as further specified in the applicable Final Terms; or (b) in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{Daily SOFR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“Benchmark Replacement Date” has the meaning set out in the Benchmark Transition Provisions;

“Benchmark Transition Event” has the meaning set out in the Benchmark Transition Provisions;

“Benchmark Transition Provisions” means the provisions specified in Condition 4(c)(ii)(B)(VII) below;

“d” means the number of calendar days in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant SOFR Observation Period;

“Daily SOFR” means:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, SOFR<sub>i-
pUSBD</sub>; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, SOFR_i;

“d_o” means the number of U.S. Government Securities Business Days in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant SOFR Observation Period;

“**Designated Source**” means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or
- (b) such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available SOFR, as selected by the Issuer and notified to the Noteholders in accordance with Condition 13 and the Principal Paying Agent;

“**i**” means a series of whole numbers from one to d_0 , each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant SOFR Observation Period;

“**Margin**” shall have the meaning specified in the applicable Final Terms;

“**n_i**” means, for any U.S. Government Securities Business Day “i”, the number of calendar days from (and including) such U.S. Government Securities Business Day “i” up to (but excluding) the following U.S. Government Securities Business Day;

“**p**” means the number of U.S. Government Securities Business Days included in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the Observation Look-back Period specified in the applicable Final Terms; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the Observation Shift Period specified in the applicable Final Terms;

“**SOFR Administrator**” means The Federal Reserve Bank of New York, or any successor administrator of SOFR;

“**SOFR Administrator’s Website**” means the website of the SOFR Administrator (including any successor website of the SOFR Administrator and/or the website of any successor SOFR Administrator);

“**SOFR Determination Time**” means, with respect to any U.S. Government Securities Business Day, 3.00 p.m. (New York time) on such U.S. Government Securities Business Day;

“**SOFR Observation Period**” means, in respect of an Interest Period, the period from (and including) the date falling “p” U.S. Government Securities Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on (and include) the Interest Commencement Date) to (but excluding) the date falling “p” U.S. Government Securities Business Days prior to (A) the Interest Payment Date for such Interest Period (and the last Interest Period

shall end on (but exclude) the Maturity Date) or (B) such earlier date, if any, on which the Notes become due and payable;

"**SOFR reference rate**" means, respect of any U.S. Government Securities Business Day "x", a rate determined in accordance with the following provisions:

- (A) the Secured Overnight Financing Rate ("**SOFR**") for such U.S. Government Securities Business Day as provided by the SOFR Administrator and published, displayed or made available on the Designated Source at the SOFR Determination Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day "x"; and
- (B) if the rate specified in paragraph (A) above does not so appear at the SOFR Determination Time, then:
 - (x) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, the Calculation Agent or the Determination Agent (as applicable) shall use the SOFR published on the Designated Source for the first preceding U.S. Government Securities Business Day on which the SOFR was published on the Designated Source; or
 - (y) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the SOFR reference rate shall be the rate determined pursuant to the Benchmark Transition Provisions;

"**SOFR_i**" means (unless otherwise specified in the applicable Final Terms), in respect of any U.S. Government Securities Business Day "i" falling in the relevant SOFR Observation Period, the SOFR reference for such U.S. Government Securities Business Day "i";

"**SOFR_{i-pUSBD}**" means (unless otherwise specified in the applicable Final Terms), in respect of any U.S. Government Securities Business Day "i" falling in the relevant Interest Period, the SOFR reference for the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to such U.S. Government Securities Business Day "i"; and

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(ii) **Compounded Daily SOFR (Index Determination)**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR and Index Determination is specified in the applicable Final Terms as being Applicable, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily SOFR Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent or Determination Agent (as applicable).

For the purposes of this sub-paragraph (B)(III)(ii):

"Compounded Daily SOFR Rate" means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent or Determination Agent (as applicable) on the Interest Determination Date (a) as further specified in the applicable Final Terms; or (b) in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

“Benchmark Replacement Date” has the meaning set out in the Benchmark Transition Provisions;

“Benchmark Transition Event” has the meaning set out in the Benchmark Transition Provisions;

“Benchmark Transition Provisions” means the provisions specified in Condition 4(c)(ii)(B)(VII) below;

“d” means the number of calendar days from (and including) the day in relation to which $SOFR\ Index_{Start}$ is determined to (but excluding) the day in relation to which $SOFR\ Index_{End}$ is determined;

“Designated Source” means, as specified in the applicable Final Terms:

- (a) the SOFR Administrator's Website; or
- (b) such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SOFR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SOFR Administrator to publish or otherwise make available the SOFR Index, as selected by the Issuer and notified to the Noteholders in accordance with Condition 13 and the Principal Paying Agent;

“**p**” is the number of U.S. Government Securities Business Days included in the Observation Look-back Period specified in the applicable Final Terms;

“**SOFR Administrator**” has the meaning set out in sub-paragraph (B)(III)(i) above;

“**SOFR Administrator’s Website**” has the meaning set out in sub-paragraph (B)(III)(i) above;

“**SOFR Determination Time**” has the meaning set out in sub-paragraph (B)(III)(i) above;

“**SOFR Index**” means, unless otherwise defined in the applicable Final Terms, with respect to any U.S. Government Securities Business Day:

- (A) the SOFR index value as provided by the SOFR Administrator and published, displayed or made available on the Designated Source at the SOFR Determination Time on such U.S. Government Securities Business Day; provided that
- (B) if a SOFR Index value does not so appear as specified in (A) above at the SOFR Determination Time on such U.S. Government Securities Business Day, then:
 - (x) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, the Compounded Daily SOFR Rate for the applicable Interest Period for which the SOFR Index is not published, displayed or made available on the Designated Source shall be “Compounded Daily SOFR” determined in accordance with Condition 4(c)(ii)(B)(III)(i) (*Compounded Daily SOFR (Non-Index Determination)*) above and as if Index Determination were specified in the applicable Final Terms as being “Not Applicable”, and for these purposes: (i) the “Observation Method” shall be deemed to be “Shift” and (ii) the “Observation Look-Back Period” shall be deemed to be equal to “p” U.S. Government Securities Business Days, as if those alternative elections had been made in the applicable Final Terms; or

- (y) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, then the Benchmark Transition Provisions shall apply for the purposes of the determination of the Compounded Daily SOFR Rate;

“SOFR Index_{Start}” means, with respect to an Interest Period, the SOFR Index determined in relation to the day falling “p” U.S. Government Securities Business Days prior to the first day of such Interest Period;

“SOFR Index_{End}” means, with respect to an Interest Period, the SOFR Index determined in relation to the day falling “p” U.S. Government Securities Business Days prior to (A) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable; and

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iii) General

If any Notes in respect of which “Compounded Daily SOFR” is specified as the Reference Rate in the applicable Final Terms become due and payable in accordance with Condition 9 (*Events of Default and Enforcement*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

For the avoidance of doubt, if, as at any relevant SOFR Determination Time (i) the relevant SOFR reference rate or the SOFR Index (as the case may be) is not published or displayed on the SOFR Administrator's Website by the SOFR Administrator and (ii) a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, the SOFR reference rate or the Compounded

Daily SOFR Rate (as the case may be) will be determined in accordance with the Benchmark Transition Provisions specified in Condition 4(c)(ii)(B)(VII).

(IV) Floating Rate Notes which are €STR Linked Interest Notes

(i) Compounded Daily €STR (Non-Index Determination)

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily €STR and Index Determination is specified in the applicable Final Terms as being Not Applicable, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent or Determination Agent (as applicable).

For the purposes of this sub-paragraph (B)(IV)(i):

“**Compounded Daily €STR**” means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent or Determination Agent (as applicable) on the Interest Determination Date (a) as further specified in the applicable Final Terms; or (b) in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{Daily €STR} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“**Designated Source**” means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or

- (b) such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available €STR, as selected by the Issuer and notified to the Noteholders in accordance with Condition 13 and the Principal Paying Agent;

“€STR Administrator” means the European Central Bank or any successor administrator of €STR;

“€STR Administrator's Website” means the website of the €STR Administrator currently at <https://www.ecb.europa.eu/home/html/index.en.html>, or any successor website of the €STR Administrator or the website of any successor €STR Administrator;

“€STR Observation Period” means, in respect of an Interest Period, the period from (and including) the date falling “p” TARGET Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on (and include) the Interest Commencement Date) to (but excluding) the date falling “p” TARGET Business Days prior to (A) the Interest Payment Date for such Interest Period (and the last Interest Period shall end on (but exclude) the Maturity Date) or (B) such earlier date, if any, on which the Notes become due and payable;

“€STR reference rate” means, in respect of any TARGET Business Day “x”, a reference rate equal to the daily euro short-term rate (“€STR”) provided by the €STR Administrator and published, displayed or made

available on the Designated Source on the TARGET Business Day immediately following such TARGET Business Day "x" (in each case at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the €STR Administrator);

"**€STR**," means (unless otherwise specified in the applicable Final Terms), in respect of any TARGET Business Day "i" falling in the relevant €STR Observation Period, the €STR reference rate for such TARGET Business Day "i";

"**€STR_{i-pTBD}**" means (unless otherwise specified in the applicable Final Terms), in respect of any TARGET Business Day "i" falling in the relevant Interest Period, the €STR reference rate for the TARGET Business Day falling "p" TARGET Business Days prior to the relevant TARGET Business Day "i";

"**d**" means the number of calendar days in:

- (A) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (B) where "Shift" is specified as the Observation Method in the applicable Final Terms, the relevant €STR Observation Period;

"**Daily €STR**" means:

- (A) where "Lag" is specified as the Observation Method in the applicable Final Terms, €STR_{i-pTBD} ; or
- (B) where "Shift" is specified as the Observation Method in the applicable Final Terms, €STR_i ;

"**d_o**" means the number of TARGET Business Days in:

- (A) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (B) where "Shift" is specified as the Observation Method in the applicable Final Terms, the relevant €STR Observation Period;

“**i**” means a series of whole numbers from one to d_0 , each representing the relevant TARGET Business Day in chronological order from (and including) the first TARGET Business Day in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant €STR Observation Period;

“**Margin**” shall have the meaning specified in the applicable Final Terms;

“ **n_i** ” means, for any TARGET Business Day “**i**”, the number of calendar days from (and including) such TARGET Business Day “**i**” up to (but excluding) the following TARGET Business Day;

“**p**” means the number of TARGET Business Days included in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the Observation Look-back Period specified in the applicable Final Terms; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the Observation Shift Period specified in the applicable Final Terms; and

“**TARGET Business Day**” means any day on which the TARGET2 System (as defined in Condition 4(f)) is open.

Fallbacks

- (a) Subject to sub-paragraph (d) below, where this Condition 4(c)(ii)(B)(IV)(i) (*Compounded Daily €STR (Non-Index Determination)*) applies, if, in respect of any TARGET Business Day in the relevant €STR Observation Period or the relevant Interest Period, as applicable, the Calculation Agent or the Determination Agent (as applicable) determines that the €STR reference rate is not

published, displayed or made available on the Designated Source, such €STR reference rate shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which an €STR reference rate was published, displayed or made available on the Designated Source, as determined by the Calculation Agent or the Determination Agent (as applicable).

- (b) Notwithstanding sub-paragraph (a) above and subject to sub-paragraph (d) below, in the event the €STR Administrator publishes guidance as to (i) how the €STR reference rate is to be determined; or (ii) any rate that is to replace the €STR reference rate, the Calculation Agent or the Determination Agent (as applicable) shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily €STR for the purpose of the Notes for so long as the €STR reference rate is not available or has not been published on the Designated Source. To the extent that any amendments or modifications to the Conditions or the transaction documents are required in order for the Calculation Agent or the Determination Agent (as applicable) to follow such guidance in order to determine Daily €STR, the Calculation Agent or the Determination Agent (as applicable) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions, the Trust Deed, the Agency Agreement and any Calculation Agency Agreement or Determination Agency Agreement.
- (c) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent or the Determination Agent (as applicable) and subject to sub-paragraph (d) below, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the

last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

(d) If, in connection with any Index Cessation Event, an Alternative Reference Rate has been determined by the Issuer in connection with a Reference Rate Modification pursuant to Condition 14(c), each Rate of Interest shall, with effect on and from the applicable Index Cessation Event Effective Date (and with respect to all Interest Periods commencing on and/or after such date) and notwithstanding the foregoing provisions of this Condition, be determined by the Calculation Agent or the Determination Agent (as applicable) by reference to such Alternative Reference Rate and taking into account any other Reference Rate Modification(s) pursuant to Condition 14(c).

(e) For the purposes of this Condition 4(c)(ii)(B)(IV)(i):

“Index Cessation Event” means the occurrence of one or more of the following events in respect of €STR:

(1) a public statement or publication of information by or on behalf of the €STR Administrator announcing that it has ceased or will cease to provide or publish the €STR reference rate for such period permanently or indefinitely, provided that, at the time

of the statement or the publication, there is no successor administrator that will continue to provide the €STR reference rate for such period; or

- (2) a public statement or publication of information by the regulatory supervisor for the €STR Administrator, an insolvency official with jurisdiction over the €STR Administrator, a resolution authority with jurisdiction over the €STR Administrator or a court or an entity with similar insolvency or resolution authority over the €STR Administrator, which states that the €STR Administrator has ceased or will cease to provide the €STR reference rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the €STR reference rate; and

“Index Cessation Event Effective Date” means the first date on which the €STR reference rate is, permanently or indefinitely, no longer provided by the €STR Administrator.

- (ii) Compounded Daily €STR (Index Determination)

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily €STR and Index Determination is specified in the applicable Final Terms as being Applicable, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily €STR Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent or Determination Agent (as applicable).

For the purposes of this sub-paragraph (B)(IV)(ii):

“Compounded Daily €STR Rate” means, in relation to an Interest Period, the rate of return of a daily

compound interest investment (with the daily euro short-term rate (“€STR”) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent or Determination Agent (as applicable) on the Interest Determination Date (a) as further specified in the applicable Final Terms; or (b) in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\frac{\text{€STR Index}_{End}}{\text{€STR Index}_{Start}} - 1 \right) \times \frac{360}{d}$$

where:

“**Designated Source**” means, as specified in the applicable Final Terms:

- (a) the €STR Administrator's Website; or
- (b) such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the €STR Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the €STR Administrator to publish or otherwise make available the €STR Index, as selected by the Issuer and notified to the Noteholders in accordance with Condition 13 and the Principal Paying Agent;

“**€STR Administrator**” has the meaning set out in sub-paragraph (B)(IV)(i) above;

“€STR Administrator’s Website” has the meaning set out in sub-paragraph (B)(IV)(i) above;

“€STR Index” means, unless otherwise defined in the applicable Final Terms, with respect to any TARGET Business Day, the screen rate or index for compounded daily €STR rates provided by the €STR Administrator that is published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

“€STR Index_{Start}” means, with respect to an Interest Period, the €STR Index determined in relation to the day falling “p” TARGET Business Days prior to the first day of such Interest Period;

“€STR Index_{End}” means, with respect to an Interest Period, the €STR Index determined in relation to the day falling “p” TARGET Business Days prior to (A) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable;

“d” means the number of calendar days from (and including) the day in relation to which €STR Index_{Start} is determined to (but excluding) the day in relation to which €STR Index_{End} is determined;

“p” is the number of TARGET Business Days included in the Observation Look-back Period specified in the applicable Final Terms; and

“TARGET Business Day” means any day on which the TARGET2 System (as defined in Condition 4(f)) is open.

Fallback

If the relevant €STR Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (Central European Time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the €STR Administrator of €STR or such other information service provider, as the case may be) on the relevant Interest Determination Date, the Compounded Daily €STR Rate for the applicable Interest Period for which the €STR Index is not available shall be "Compounded Daily

€STR" determined in accordance with Condition 4(c)(ii)(B)(IV)(i) (*Compounded Daily €STR (Non-Index Determination)*) above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift" and (ii) the "Observation Look-Back Period" shall be deemed to be equal to "p" TARGET Business Days, as if those alternative elections had been made in the applicable Final Terms.

(iii) General

If any Notes in respect of which "Compounded Daily €STR" is specified as the Reference Rate in the applicable Final Terms become due and payable in accordance with Condition 9 (*Events of Default and Enforcement*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(V) Floating Rate Notes which are SORA Linked Interest Notes

(i) Compounded Daily SORA (Non-Index Determination)

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SORA and Index Determination is specified in the applicable Final Terms as being Not Applicable, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SORA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent or Determination Agent (as applicable).

For the purposes of this sub-paragraph (B)(V)(i):

"Compounded Daily SORA" means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Singapore Overnight Rate Average as the reference rate for the calculation of interest) and will be calculated by the Calculation

Agent or Determination Agent (as applicable) on the Interest Determination Date (a) as further specified in the applicable Final Terms; or (b) in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{Daily SORA} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“Designated Source” means, as specified in the applicable Final Terms:

- (a) the SORA Administrator's Website; or
- (b) such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SORA Administrator to publish or otherwise make available SORA, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider),

provided that if the SORA Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SORA Administrator to publish or otherwise make available SORA, as selected by the Issuer and notified to Noteholders in accordance with Condition 13 and the Principal Paying Agent;

“SORA Administrator” means the Monetary Authority of Singapore or any successor administrator of SORA;

“SORA Administrator's Website” means the website of the SORA Administrator currently at <http://www.mas.gov.sg>, or any successor website of

the SORA Administrator or the website of any successor SORA Administrator;

“SORA Observation Period” means, in respect of an Interest Period, the period from (and including) the date falling “p” Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on (and include) the Interest Commencement Date) to (but excluding) the date falling “p” Singapore Business Days prior to (A) the Interest Payment Date for such Interest Period (and the last Interest Period shall end on (but exclude) the Maturity Date) or (B) such earlier date, if any, on which the Notes become due and payable;

“SORA reference rate” means, in respect of any Singapore Business Day “x”, a reference rate equal to the daily Singapore Overnight Rate Average published, displayed or made available on the Designated Source on the Singapore Business Day immediately following such Singapore Business Day “x”;

“SORA_i” means (unless otherwise specified in the applicable Final Terms), in respect of any Singapore Day “i” falling in the relevant SORA Observation Period, the SORA reference rate for such Singapore Business Day “i”;

“SORA_{i-pSBD}” means (unless otherwise specified in the applicable Final Terms), in respect of any Singapore Business Day “i” falling in the relevant Interest Period, the SORA reference rate for the Singapore Business Day falling “p” Singapore Business Days prior to the relevant Singapore Business Day “i”;

“d” means the number of calendar days in:

- (A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or
- (B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant SORA Observation Period;

“Daily SORA” means:

(A) where “Lag” is specified as the Observation Method in the applicable Final Terms, $SORA_{i-pSBD}$; or

(B) where “Shift” is specified as the Observation Method in the applicable Final Terms, $SORA_i$;

“ d_o ” means the number of Singapore Business Days in:

(A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant SORA Observation Period;

“ i ” means a series of whole numbers from one to d_o , each representing the relevant Singapore Business Day in chronological order from (and including) the first Singapore Business Day in:

(A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant SORA Observation Period;

“**Margin**” shall have the meaning specified in the applicable Final Terms;

“ n_i ” means, for any Singapore Business Day “ i ”, the number of calendar days from (and including) such Singapore Business Day “ i ” up to (but excluding) the following Singapore Business Day;

“ p ” means the number of Singapore Business Days included in:

(A) where “Lag” is specified as the Observation Method in the applicable Final Terms, the Observation Look-back Period specified in the applicable Final Terms; or

(B) where “Shift” is specified as the Observation Method in the applicable Final Terms, the

Observation Shift Period specified in the applicable Final Terms; and

“Singapore Business Day” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore.

Fallback

- (a) Subject to sub-paragraph (d) below, where this Condition 4(c)(ii)(B)(V)(i) (Compounded Daily SORA (Non-Index Determination)) applies, if, in respect of any Singapore Business Day in the relevant SORA Observation Period or the relevant Interest Period, as applicable, the Calculation Agent or the Determination Agent (as applicable) determines that the SORA reference rate is not published, displayed or made available on the Designated Source, such SORA reference rate shall be the SORA reference rate for the first preceding Singapore Business Day in respect of which an SORA reference rate was published, displayed or made available on the Designated Source, as determined by the Calculation Agent or the Determination Agent (as applicable).

- (b) Notwithstanding sub-paragraph (a) above and subject to sub-paragraph (d) below, in the event the SORA Administrator publishes guidance as to (i) how the SORA reference rate is to be determined; or (ii) any rate that is to replace the SORA reference rate, the Calculation Agent or the Determination Agent (as applicable) shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily SORA for the purpose of the Notes for so long as the SORA reference rate is not available or has not been published by the Designated Source. To the extent that any amendments or modifications to the Conditions or the transaction documents are required in order for the Calculation Agent or the Determination Agent (as applicable) to follow such guidance in order to determine Daily SORA, the

Calculation Agent or the Determination Agent (as applicable) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions, the Trust Deed, the Agency Agreement and any Calculation Agency Agreement or Determination Agency Agreement.

- (c) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent or the Determination Agent (as applicable) and subject to sub-paragraph (d) below, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).
- (d) If, in connection with any Index Cessation Event, an Alternative Reference Rate has been determined by the Issuer in connection with a Reference Rate Modification pursuant to Condition 14(c), each Rate of Interest shall, with effect on and from the applicable Index Cessation Event Effective Date (and with respect to all Interest Periods commencing on and/or after such date) and notwithstanding the foregoing provisions of this Condition, be determined by the Calculation Agent or the Determination Agent (as applicable) by

reference to such Alternative Reference Rate and taking into account any other Reference Rate Modification(s) pursuant to Condition 14(c).

- (e) For the purposes of this Condition 4(c)(ii)(B)(V)(i):

“Index Cessation Event” means the occurrence of one or more of the following events in respect of SORA:

- (1) a public statement or publication of information by or on behalf of the SORA Administrator announcing that it has ceased or will cease to provide or publish the SORA reference rate for such period permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the SORA reference rate for such period; or
- (2) a public statement or publication of information by the regulatory supervisor for the SORA Administrator, an insolvency official with jurisdiction over the SORA Administrator, a resolution authority with jurisdiction over the SORA Administrator or a court or an entity with similar insolvency or resolution authority over the SORA Administrator, which states that the SORA Administrator has ceased or will cease to provide the SORA reference rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the SORA reference rate; and

“Index Cessation Event Effective Date” means the first date on which the SORA reference rate is, permanently or indefinitely, no longer provided by the SORA Administrator.

(ii) Compounded Daily SORA (Index Determination)

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SORA and Index Determination is specified in the applicable Final Terms as being Applicable, the following provisions shall apply and the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily SORA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent or Determination Agent (as applicable).

For the purposes of this sub-paragraph (B)(V)(ii):

“Compounded Daily SORA Rate” means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Singapore Overnight Rate Average (“SORA”) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent or Determination Agent (as applicable) on the Interest Determination Date: (a) as further specified in the applicable Final Terms; or (b) in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left(\frac{SORA\ Index_{End}}{SORA\ Index_{Start}} - 1 \right) \times \frac{365}{d}$$

“Designated Source” means, as specified in the applicable Final Terms:

- (a) the SORA Administrator's Website; or
- (b) such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SORA Administrator to publish or otherwise make available the SORA Index, as specified in the applicable Final Terms, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable,

as otherwise published by such distributor or other information service provider),

provided that if the SORA Administrator's Website is specified as the Designated Source in the applicable Final Terms but ceases to so publish or make available such rate, the Designated Source shall be such other screen page, display page or other information service of a distributor or other information service provider that is authorised by the SORA Administrator to publish or otherwise make available the SORA Index, as selected by the Issuer and notified to Noteholders in accordance with Condition 13 and the Principal Paying Agent;

“SORA Administrator” has the meaning set out in sub-paragraph (B)(V)(i) above;

“SORA Administrator's Website” has the meaning set out in sub-paragraph (B)(V)(i) above;

“SORA Index” means, unless otherwise defined in the applicable Final Terms, with respect to any TARGET Business Day, the screen rate or index for compounded daily SORA rates provided by the SORA Administrator that is published, displayed or made available on the Designated Source on the relevant Interest Determination Date;

“SORA Index_{Start}” means, with respect to an Interest Period, the SORA Index determined in relation to the day falling “p” Singapore Business Days prior to the first day of such Interest Period;

“SORA Index_{End}” means, with respect to an Interest Period, the SORA Index determined in relation to the day falling “p” Singapore Business Days prior to (A) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable;

“d” means the number of calendar days from (and including) the day in relation to which SORA Index_{Start} is determined to (but excluding) the day in relation to which SORA Index_{End} is determined;

“p” is the number of Singapore Business Days included in the Observation Look-back Period specified in the applicable Final Terms; and

"Singapore Business Day" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore.

Fallback

If the relevant SORA Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (Singapore time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SORA Administrator or such other information service provider, as the case may be) on the relevant Interest Determination Date, the Compounded Daily SORA Rate for the applicable Interest Period for which the SORA Index is not available shall be "Compounded Daily SORA" determined in accordance with Condition 4(c)(ii)(B)(V)(i) (Compounded Daily SORA (Non-Index Determination)) above and as if Index Determination were specified in the applicable Final Terms as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift" and (ii) the "Observation Look-Back Period" shall be deemed to be equal to "p" Singapore Business Days, as if those alternative elections had been made in the applicable Final Terms.

(iii) General

If any Notes in respect of which "Compounded Daily SORA" is specified as the Reference Rate in the applicable Final Terms become due and payable in accordance with Condition 9 (Events of Default and Enforcement), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(VI) Floating Rate Notes which are CMS Linked Interest Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as being the CMS Reference Rate, the Rate of Interest for each Interest

Period will, subject as provided below, be the CMS Rate plus or minus (as indicated in the applicable Final Terms) the Margin, as determined by the Calculation Agent or Determination Agent (as applicable).

“**CMS Rate**” for an Interest Period means the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (expressed as a percentage rate per annum) which appears on the Relevant Screen Page as at the Determination Time on the Interest Determination Date in question, all as determined by the Calculation Agent or Determination Agent (as applicable).

If the Relevant Screen Page is not available or the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity does not appear on the Relevant Screen Page, in each case as at the Determination Time on any Interest Determination Date:

- (i) unless both a Relevant Swap Rate Index Cessation Event and the related Relevant Swap Rate Index Cessation Event Effective Date have occurred, the CMS Rate for the relevant Interest Period will be determined by the Calculation Agent or Determination Agent (as applicable) as a rate equal to the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity which appeared on the Relevant Screen Page as at the Determination Time on the last Business Day for which such rate was available on the Relevant Screen Page immediately preceding the relevant Interest Determination Date; or
- (ii) if both a Relevant Swap Rate Index Cessation Event and the related Relevant Swap Rate Index Cessation Event Effective Date have occurred, the CMS Rate for the relevant Interest Period will be determined by the Calculation Agent or Determination Agent (as applicable) as a rate equal to the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (expressed as a percentage rate per annum) which appears on the Relevant Replacement Screen Page as at the Determination Time on the relevant Interest Determination Date, provided that if the Relevant Replacement Screen Page is not available or the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity does not appear on the Relevant Replacement

Screen Page, in each case as at the Determination Time on the relevant Interest Determination Date:

- (x) if an Alternative Reference Rate has been determined by the Issuer in connection with a Reference Rate Modification pursuant to Condition 14(c), the CMS Rate for the relevant Interest Period will be determined by the Calculation Agent or Determination Agent (as applicable) by reference to such Alternative Reference Rate and taking into account any other Reference Rate Modifications) pursuant to Condition 14(c); or
- (y) if no Alternative Reference Rate has been determined by the Issuer in connection with a Reference Rate Modification pursuant to Condition 14(c), the CMS Rate for the relevant Interest Period will be determined by the Calculation Agent or Determination Agent (as applicable) as at the last preceding Interest Determination Date.

For the purposes of this sub-paragraph (B)(VI):

“Calculation Agent” shall have the meaning specified in the applicable Final Terms;

“CMS Rate Fixing Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in each CMS Rate Fixing Centre specified in the applicable Final Terms;

“Designated Maturity” shall have the meaning specified in the applicable Final Terms;

“Determination Agent” shall have the meaning specified in the applicable Final Terms;

“Determination Time” means (i) the Determination Time specified in the applicable Final Terms or (ii) if no Determination Time is specified in the applicable Final Terms, 11.00 a.m. (Relevant Centre time);

“Interest Determination Date” shall have the meaning specified in the applicable Final Terms provided that, if any day specified as an Interest Determination Date in the applicable Final Terms is not a CMS Rate Fixing Day, the relevant Interest

Determination Date shall be the immediately preceding CMS Rate Fixing Day;

“Margin” shall have the meaning specified in the applicable Final Terms;

“Relevant Body” means the central bank for the Relevant Currency (or any successor thereof) or any relevant committee or other body established, sponsored or approved by such central bank (or any successor thereof), in each case for the purpose of recommending a replacement for the benchmark that would originally have been used as the floating leg under the definition of “Relevant Swap Rate”;

“Relevant Centre” shall have the meaning specified in the applicable Final Terms;

“Relevant Replacement Screen Page” means:

- (i) such screen page, display page or other information service as is selected by the Issuer and notified to Noteholders in accordance with Condition 13 and which displays information equivalent to the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity and with a floating leg based on the benchmark rate formally recommended by the Relevant Body as the replacement for the benchmark rate that would originally have been used as the floating leg under the definition of “Relevant Swap Rate” (inclusive of any spread(s) or adjustment(s) recommended by the Relevant Body); or
- (ii) if the such screen page, display page or other information service as is referred to in sub-paragraph (i) of this definition is not available at the relevant time, such screen page, display page or other information service as is formally recommended by the Relevant Body for use in connection with the occurrence of a Relevant Swap Rate Index Cessation Event and which displays information equivalent to the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (whether or not the floating leg of such swap transaction is based on the benchmark rate formally recommended by the Relevant Body as the replacement for the benchmark rate that would originally have been used as the floating leg under the definition of “Relevant Swap Rate”);

“Relevant Screen Page” shall have the meaning specified in the applicable Final Terms;

“Relevant Swap Rate” means:

- (i) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to the ISDA Rate specified in the applicable Final Terms with (if applicable) a designated maturity equivalent to the ISDA Rate Designated Maturity specified in the applicable Final Terms, all as determined by the Calculation Agent or Determination Agent (as applicable) by reference to standard market practice and/or the ISDA Definitions;
- (ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent to the ISDA Rate specified in the applicable Final Terms with (if applicable) a designated maturity equivalent to the ISDA Rate Designated Maturity specified in the applicable Final Terms, all as determined by the Calculation Agent or Determination Agent (as applicable) by reference to standard market practice and/or the ISDA Definitions;
- (iii) where the Reference Currency is U.S. dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the Designated

Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to the ISDA Rate specified in the applicable Final Terms with (if applicable) a designated maturity equivalent to the ISDA Rate Designated Maturity specified in the applicable Final Terms, all as determined by the Calculation Agent or Determination Agent (as applicable) by reference to standard market practice and/or the ISDA Definitions; and

- (iv) where the Reference Currency is any other currency, the mid-market swap rate as determined by a leading swap dealer in the principal interbank market relating to the applicable Reference Currency as appointed by the Issuer in its discretion;

“Relevant Swap Rate Index Cessation Event” means the occurrence of one or more of the following events in respect of any applicable Relevant Swap Rate (or any benchmark rate used in the determination of any applicable Relevant Swap Rate):

- (i) a public statement or publication of information by or on behalf of the administrator of the Relevant Swap Rate or such other benchmark (as applicable) announcing that it has ceased or will cease to provide or publish such rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide such rate; or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Swap Rate or such other benchmark (as applicable), the central bank for the Relevant Currency, an insolvency official with jurisdiction over the administrator of the Relevant Swap Rate or such other benchmark (as applicable), a resolution authority with jurisdiction over the administrator of the Relevant Swap Rate or such other benchmark (as applicable) or a court or an entity with similar insolvency or resolution authority over the administrator of the Relevant Swap Rate or such other benchmark (as applicable), which states that such administrator has ceased or will cease to provide such rate permanently or indefinitely, provided that, at the time of the statement or

publication, there is no successor administrator that will continue to provide the Relevant Swap Rate or such other benchmark (as applicable);

“Relevant Swap Rate Index Cessation Event Effective Date” means the first date on which any applicable Relevant Swap Rate (or any benchmark rate used in the determination of any applicable Relevant Swap Rate) is, permanently or indefinitely, no longer provided by the administrator of such rate (or any successor administrator of such rate);

“Representative Amount” means an amount that is representative for a single transaction in the relevant market at the relevant time; and

“Stub Period” shall have the meaning specified in the applicable Final Terms.

(VII) Reference Rate Replacement for SOFR linked Floating Rate Notes

If:

- (1) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined;
- (2) the Reference Rate specified in the applicable Final Terms is Compounded Daily SOFR; and
- (3) any Rate of Interest (or component thereof) remains to be determined by reference to the relevant Benchmark,

then the following provisions shall apply.

- (a) If the Issuer determines on or prior to the relevant Interest Determination Date that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the relevant Benchmark, the Benchmark Replacement will replace such Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates (subject to any subsequent application of this sub-paragraph (B)(VII)) with respect to such Benchmark Replacement).

- (b) In connection with the implementation of a Benchmark Replacement with respect to the Notes, the Issuer has the right to make Benchmark Replacement Conforming Changes from time to time.
- (c) Any determination, decision or election that may be made by the Issuer pursuant to this sub-paragraph (B)(VII) including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any SOFR linked Floating Rate Notes, will be conclusive and binding absent manifest error, and may be made in the Issuer's sole discretion.
- (d) Promptly following the determination of any Benchmark Replacement as described in this sub-paragraph (B)(VII), the Issuer shall give notice thereof and of any Benchmark Replacement Conforming Changes to the Trustee, the Principal Paying Agent, any Calculation Agent, any Determination Agent and, in accordance with Condition 13, the Noteholders, provided that failure to provide such notice will have no impact on the effectiveness of, or otherwise invalidate, any such determination.
- (e) The Trustee and the Principal Paying Agent shall, at the direction of the Issuer (following consultation with the Principal Paying Agent, the Calculation Agent and/or the Determination Agent, as applicable), effect any amendments to the Trust Deed, the Agency Agreement, these Terms and Conditions and any other document as may be required to give effect to any Benchmark Replacement Conforming Changes.

Prior to any such amendments taking effect, the Issuer shall provide a certificate signed by two authorised signatories of the Issuer to the Trustee, the Principal Paying Agent and, where applicable, the Calculation Agent or the Determination Agent, which (I) confirms that a

Benchmark Transition Event has occurred, specifies the Benchmark Replacement and provides details of the Benchmark Replacement Conforming Changes (if any) and (II) certifies that the Benchmark Replacement Conforming Changes (if any) are necessary to ensure the proper operation of such Benchmark Replacement, and the Trustee, the Principal Paying Agent and, where applicable, the Calculation Agent or the Determination Agent shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, the Trustee shall not be liable to the Noteholders or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. Such changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this sub-paragraph (B)(VII)).

The Trustee shall not be obliged to agree to any modification if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce rights and/or the protective provisions afforded to the Trustee in these Terms and Conditions or the Trust Deed.

No consent of the Noteholders shall be required in connection with effecting the relevant Benchmark Replacement as described in this sub-paragraph (B)(VII) or any Benchmark Replacement Conforming Changes pursuant to this sub-paragraph (B)(VII), including for the execution of, or amendment to, any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required).

Notwithstanding any other provision of this sub-paragraph (B)(VII) no Benchmark Replacement will be adopted, and no other Benchmark Replacement Conforming Changes will be made pursuant to this sub-paragraph (B)(VII), if and to the extent that, in the sole determination of the Issuer, the same could reasonably be

expected to prejudice (i) the qualification of the Dated Subordinated Notes as Tier 2 Capital of the Issuer or of the Group or (ii) the eligibility of the Senior Notes issued by Santander UK Group Holdings to qualify in full towards the Issuer's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments.

(f) For the purposes of this sub-paragraph (B)(VII):

"Benchmark" means, initially, SOFR, as originally specified for the purposes of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or any Benchmark which has replaced it in accordance with this sub-paragraph (B)(VII), then **"Benchmark"** means the applicable Benchmark Replacement;

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (I) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (II) the Benchmark Replacement Adjustment;
- (ii) the sum of: (I) the ISDA Fallback Rate and (II) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (I) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the

then-current Benchmark for any SOFR linked floating rate notes at such time and (II) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment”

means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for any SOFR linked floating rate notes at such time;

“Benchmark Replacement Conforming Changes”

means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period", the timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the interest period and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market

practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

“Benchmark Replacement Date” means:

- (i) in the case of paragraph (i) or (ii) of the definition of "Benchmark Transition Event," the later of (x) the date of the public statement or publication of information referenced therein and (y) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (ii) in the case of paragraph (ii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Issuer may give written notice to holders of any SOFR linked Notes in which the Issuer designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any SOFR linked Notes to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date;

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“Benchmark Transition Event” means the occurrence of one or more of the following

events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

“Compounded SOFR” means, for purposes of determining a replacement Benchmark for the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a look-back and/or suspension period as a mechanism to

determine the interest amount payable prior to the end of each interest period or compounded in advance) being established by the Issuer in accordance with:

- (i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining Compounded SOFR; or
- (ii) if, and to the extent that, the Issuer determines that Compounded SOFR cannot be determined in accordance with paragraph (i) above, the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated floating rate notes at such time;

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

“Federal Reserve Bank of New York’s website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source;

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the

occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Reference Time” with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, 2.00 p.m. (London time) on the day that is two London Business Days preceding the date of such determination and (2) if the Benchmark is not SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes;

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the Benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's website; and

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

(C) Interest Determination for Variable Interest Notes

(I) Rate of Interest for Variable Interest Notes

In the case of Variable Interest Notes, the Rate of Interest for each Interest Period will, subject as provided below, be the product of (i) the Accrual Interest Rate and (ii)(A) the number of calendar days in an Interest Period where the Underlying Rate is less than or equal to the Upper Barrier (if any) and greater than or equal to the Lower Barrier (if any) divided by (B) the total number of

calendar days in such corresponding Interest Period, all as determined by the Calculation Agent or Determination Agent (as applicable).

(II) Underlying Reference Rates

(i) Underlying Reference Rate of EURIBOR

If the Underlying Reference Rate is specified in the applicable Final Terms as being EURIBOR, the Calculation Agent or Determination Agent (as applicable) shall, subject to Condition 14(c), determine the Underlying Rate for a calendar day in accordance with Condition 4(c)(ii)(B)(I) on the basis that:

- (a) references to “Screen Rate” shall be deemed to be to “Underlying Rate”;
- (b) references to “Interest Determination Date” shall be deemed to be to:
 - (i) if the rate determination relates to a calendar day (other than a calendar day that falls in the Rate Cut-off Period) that is a Fixing Business Day, such calendar day;
 - (ii) if the rate determination relates to a calendar day (other than a calendar day that falls in the Rate Cut-off Period) that is not a Fixing Business Day, the Fixing Business Day immediately preceding such calendar day; and
 - (iii) if the rate determination relates to a calendar day that falls in the Rate Cut-off Period, the Rate Cut-Off Date, unless the Rate Cut-Off Date is not a Fixing Business Day, in which case the Fixing Business Day immediately preceding the Rate Cut-Off Date;
- (c) references to “Reference Rate” shall be deemed to be to the “Underlying Reference Rate” specified in the applicable Final Terms; and
- (d) the Calculation Agent or Determination Agent (as applicable) will be the party making all determinations.

(ii) Underlying Reference Rate of SONIA

If the Underlying Reference Rate is specified in the applicable Final Terms as being SONIA, the Calculation Agent or Determination Agent (as applicable) shall, subject to Condition 14(c), determine the Underlying Rate for a calendar day on the basis that:

- (a) **“Underlying Rate”** shall, for any calendar day, be deemed to be to a reference rate equal to the Sterling Overnight Index Average (SONIA) rate as calculated by the SONIA Administrator and published, displayed or made available on the Designated Source on the first London Business Day following that day;
- (b) **“Designated Source”** shall have the meaning specified in the applicable Final Terms or, if no meaning is so specified, Reuters page SONIA 1 or any successor; and
- (c) **“London Business Day”** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

If the Calculation Agent or the Determination Agent (as applicable) determines that either the Designated Source is not available or no such overnight rate as referred to in Underlying Rate appears for any reason for the relevant calendar day on the London Business Day following that day as provided above, the Calculation Agent or the Determination Agent (as applicable) shall determine the Underlying Rate for such day as the rate appearing on the Designated Source on the last preceding Business Day for which a rate was available.

(iii) Underlying Reference Rate of SOFR

If the Underlying Reference Rate is specified in the applicable Final Terms as being SOFR, the Calculation Agent or Determination Agent (as applicable) shall, subject to Condition 4(c)(ii)(B)(VII), determine the Underlying Rate for a calendar day on the basis that **“Underlying Rate”** shall, for any calendar day, be deemed to be to a reference rate equal to the SOFR reference rate (as such term is defined in Condition 4(c)(ii)(B)(III)(i) above save that, for this purpose only, references in such definition to “U.S. Government Securities Business Day “x”” shall be deemed to be replaced by references to “calendar day “x””).

(iv) Underlying Reference Rate of €STR

If the Underlying Reference Rate is specified in the applicable Final Terms as being €STR, the Calculation Agent or Determination Agent (as applicable) shall, subject to Condition 14(c), determine the Underlying Rate for a calendar day on the basis that:

- (a) **“Underlying Rate”** shall, for any calendar day, be deemed to be to a reference rate equal to the euro short-term rate (€STR) as provided by the European Central Bank and published, displayed or made available on the Designated Source on the first TARGET Business Day following that day;

- (b) **“Designated Source”** shall have the meaning specified in the applicable Final Terms; and
- (c) **“TARGET Business Day”** means a day on which the TARGET2 System is open.

If the Calculation Agent or the Determination Agent (as applicable) determines that either the Designated Source is not available or no such short-term rate as referred to in Underlying Rate appears for any reason for the relevant calendar day on the TARGET Business Day following that day as provided above, the Calculation Agent or the Determination Agent (as applicable) shall determine the Underlying Rate for such day as the rate appearing on the Designated Source on the last preceding Business Day for which a rate was available.

(v) Underlying Reference Rate of SORA

If the Underlying Reference Rate is specified in the applicable Final Terms as being SORA, the Calculation Agent or Determination Agent (as applicable) shall, subject to Condition 14(c), determine the Underlying Rate for a calendar day on the basis that:

- (a) **“Underlying Rate”** shall, for any calendar day, be deemed to be to a reference rate equal to the daily Singapore Overnight Rate Average (SORA) as provided by the SORA Administrator and published, displayed or made available on the Designated Source on the first Singapore Business Day following that day;
- (b) **“Designated Source”** shall, unless otherwise specified in the applicable Final Terms, have the meaning specified in Condition 4(c)(ii)(B)(V)(i); and
- (c) **“Singapore Business Day”** means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore.

If the Calculation Agent or the Determination Agent (as applicable) determines that either the Designated Source is not available or no such short-term rate as referred to in Underlying Rate appears for any reason for the relevant calendar day on the TARGET Business Day following that day as provided above, the Calculation Agent or the Determination Agent (as applicable) shall determine the Underlying Rate for such day as the rate appearing on the Designated Source on the last preceding Business Day for which a rate was available.

(vi) Underlying Reference Rate of CMS Reference Rate

If the Underlying Reference Rate is specified in the applicable Final Terms as being CMS Reference Rate, the Calculation Agent or

Determination Agent (as applicable) shall, subject to Condition 14(c), determine the Underlying Rate for a calendar day in accordance with Condition 4(c)(ii)(B)(VI) on the basis that:

- (a) references to “CMS Rate” shall be deemed to be to “Underlying Rate”; and
- (b) references to “Interest Determination Date” shall be deemed to be to:
 - (i) if the rate determination relates to a calendar day that is a Fixing Business Day, such calendar day;
 - (ii) if the rate determination relates to a calendar day (other than a calendar day that falls in the Rate Cut-off Period) that is not a Fixing Business Day, the Fixing Business Day immediately preceding such calendar day; and
 - (iii) if the rate determination relates to a calendar day (other than a calendar day that falls in the Rate Cut-off Period) that falls in the Rate Cut-off Period, the Fixing Business Day immediately preceding the Rate Cut-off Period.

(III) Accrual Interest Rate

The applicable Final Terms will specify if the Accrual Interest Rate is a “Fixed Rate” or a “Floating Rate”.

If the Accrual Interest Rate is specified in the applicable Final Terms to be a “Floating Rate” and “Screen Rate Determination” is specified in the applicable Final Terms as being applicable, the Accrual Interest Rate for each Interest Period shall be determined by the Calculation Agent or Determination Agent (as applicable) in accordance with Condition 4(c)(ii)(B)(I) and on the basis that:

- (a) references to “Rate of Interest” shall be deemed to be to “Accrual Interest Rate”;
- (b) “Straight Floating Rate” shall be deemed to be specified as being applicable; and
- (c) the Calculation Agent or Determination Agent (as applicable) will be the party making all determinations.

If the Accrual Interest Rate is specified in the applicable Final Terms to be a “Floating Rate” and “ISDA Determination” is specified in the applicable Final Terms as being applicable, the Accrual Interest Rate for each Interest Period shall be determined by the Calculation Agent or Determination Agent (as applicable) in accordance with Condition 4(c)(ii)(A) and on the basis that:

- (a) references to “Rate of Interest” shall be deemed to be to “Accrual Interest Rate”;
 - (b) “Straight Floating Rate” shall be deemed to be specified as being applicable; and
 - (c) the Calculation Agent or Determination Agent (as applicable) will be the party making all determinations.
- (IV) Definitions for this sub-paragraph (C)

For the purposes of this sub-paragraph (C):

“**Calculation Agent**” shall have the meaning specified in the applicable Final Terms;

“**Determination Agent**” shall have the meaning specified in the applicable Final Terms;

“**Fixing Business Day**” means a day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and, where applicable, any Additional Fixing Business Centre specified in the applicable Final Terms and which is:

- (i) if the Underlying Reference Rate is specified in the applicable Final Terms as being CMS Reference Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Reference Currency; or
- (ii) if the Underlying Reference Rate is specified in the applicable Final Terms as being EURIBOR, a TARGET2 Settlement Day; or
- (iii) if the Underlying Reference Rate is specified in the applicable Final Terms as being any other Reference Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the currency to which such Reference Rate relates.

“**Lower Barrier**” shall have the meaning specified in the applicable Final Terms;

“**Upper Barrier**” shall have the meaning specified in the applicable Final Terms;

“**Rate Cut-off Date**” means, for each Interest Period, the date specified in the applicable Final Terms;

“Rate Cut-Off Period” means, for each Interest Period, the period from (and including) the Rate Cut-off Date to (but excluding) the Interest Payment Date falling at the end of such Interest Period; and

“Underlying Reference Rate” shall have the meaning specified in the applicable Final Terms.

(iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent or, where specified in these Conditions or the applicable Final Terms, the Calculation Agent or the Determination Agent (as applicable) will at, or as soon as practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Variable Interest Notes or CMS Linked Interest Notes, the Calculation Agent or Determination Agent (as applicable) will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent or the Calculation Agent or the Determination Agent (as applicable) will calculate the amount of interest (the **“Interest Amount”**) payable on the Floating Rate Notes and Variable Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Variable Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes or Variable Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Variable Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the

amount (determined in the manner provided above) for the Calculation Amount, and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

For the avoidance of doubt, where the Rate of Interest applicable to Floating Rate Notes for any Interest Period is determined to be less than zero, the Rate of Interest for such Interest Period shall (unless otherwise stated in the applicable Final Terms) be zero.

(v) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent (or, in the case of CMS Linked Interest Notes and Variable Interest Notes, the relevant Calculation Agent or Determination Agent) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and, if required by applicable law or regulation, any stock exchange or other relevant authority on which the relevant Floating Rate Notes or Variable Interest Notes are for the time being listed or by which they have been admitted to listing and, if applicable, notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will, if required by applicable law or regulation, be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes or Variable Interest Notes are for the time being listed or by which they have been admitted to listing and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) No determination available

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent or the Determination Agent (as applicable) defaults in its obligation to determine the Rate of Interest or the Calculation Agent or the Determination Agent (as applicable) defaults in its obligation to calculate any Interest Amount in accordance with sub-paragraph (ii) above and in accordance with paragraph (iv) above, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the relevant Series for the first Interest Period had the Notes of such Series been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the

first Interest Period), and the Interest Amount(s) shall be calculated by a calculation agent or a determination agent (which shall be an investment bank or other suitable entity of international repute) appointed by the Issuer in its discretion. Each such determination or calculation shall be deemed to have been made by the Principal Paying Agent or, the Calculation Agent or the Determination Agent, as applicable.

(vii) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(c), whether by the Principal Paying Agent or, if applicable, the Calculation Agent or the Determination Agent or the Trustee or its agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the Principal Paying Agent and (as applicable) the Calculation Agent or the Determination Agent, the other Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or (as applicable) the Calculation Agent or the Determination Agent or the Trustee or its agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions pursuant to such provisions.

(d) Interest on Convertible Interest Basis Notes

If the Convertible Interest Basis is specified as being applicable in the applicable Final Terms, each Note bears interest from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Final Terms shall be the Issue Date) at the applicable Rates of Interest determined in accordance with this Condition 4(d), and such interest will be payable in arrear on the relevant Interest Payment Date (as defined below).

If the Convertible Interest Basis is specified as being applicable in the applicable Final Terms, the basis upon which interest accrues (and on which the Rate of Interest shall be determined) will (unless the Notes are redeemed or purchased and cancelled prior to the Interest Basis Conversion Date) change from one interest basis (the “**First Interest Basis**”) to another (the “**Second Interest Basis**”). The First Interest Basis shall apply to any Interest Period in the First Interest Basis Period and the Second Interest Basis shall apply to any Interest Period in the Second Interest Basis Period.

The Rate of Interest for any Interest Period, and the amount of interest payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the Principal Paying Agent or (if specified in the applicable Final Terms) the Calculation Agent or Determination Agent, as applicable, in accordance with (i) if the relevant Interest Basis is specified in the applicable Final Terms to be Fixed Rate, Condition 4(a) or (ii) if the relevant Interest Basis is specified in the applicable Final Terms to be Floating Rate or Variable Interest, Condition 4(c). If an Interest Basis for an Interest Basis Period is specified in the applicable Final Terms as being Floating Rate or Variable Interest, the notification and publication requirements of Condition 4(c)(v) shall apply in respect of each Interest Period falling within such Interest Basis Period.

For the purposes of this Condition 4(d):

“First Interest Basis Period” means the period from (and including) the Interest Commencement Date to (but excluding) the Interest Basis Conversion Date;

“Interest Basis” means the First Interest Basis or the Second Interest Basis, as applicable;

“Interest Basis Conversion Date” shall have the meaning specified in the applicable Final Terms;

“Interest Basis Period” means the First Interest Basis Period or the Second Interest Basis Period, as applicable;

“Interest Payment Date(s)” means, in relation to each Interest Basis:

- (A) the Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date that falls within the First Interest Basis Period, after the Interest Commencement Date; and

“Second Interest Basis Period” means the period from (and including) the Interest Basis Conversion Date to (but excluding) the Maturity Date.

(e) Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date fixed for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in Condition 6(l).

(f) Business Day, Business Day Conventions, Day Count Fractions and other adjustments

In these Terms and Conditions, **“Business Day”** means a day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (ii) either
 - (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal

financial centre of the country of the relevant Specified Currency (if other than London); or

- (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is operating (a "**TARGET2 Settlement Day**").

If a Business Day Convention (or, in respect of any Reset Date in respect of Floating Rate Notes or Variable Interest Notes, a Reset Date Business Day Convention) is specified in the applicable Final Terms and if any Interest Payment Date, Maturity Date or any other date (as specified in the applicable Final Terms) would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention (or the Reset Date Business Day Convention, as applicable) specified is:

- (1) the Following Business Day Convention, such Interest Payment Date, Maturity Date or any other date (as specified in the applicable Final Terms) shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date, Maturity Date or any other date (as specified in the applicable Final Terms) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date, Maturity Date or any other date (as specified in the applicable Final Terms) shall be brought forward to the immediately preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date, Maturity Date or any other date (as specified in the applicable Final Terms) shall be brought forward to the immediately preceding Business Day; or
- (4) in any case where Interest Periods are specified in accordance with Condition 4(c)(i)(B) above, the Floating Rate Convention, the Interest Payment Date:
 - (i) shall be postponed to the next day which is a Business Day and (A) each subsequent Interest Payment Date shall be the day that numerically corresponds with such Business Day, in the month which falls the Interest Period after the preceding applicable Interest Payment Date unless (B) such Business Day would thereby fall into the next calendar month, in which event (C) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (D) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Interest Period after the preceding applicable Interest Payment Date; or

- (ii) in the case where there is no numerically corresponding day in the calendar month on which an Interest Payment Date should occur, shall be the last day that is a Business Day in the relevant month and the provisions of Condition 4(c)(i)(B) above shall apply *mutatis mutandis*.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

- (1) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **“Accrual Period”**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (2) if “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (3) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

- (4) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (5) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (6) if “30E/360” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (7) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

- (8) if “RBA Bond Basis” is specified in the applicable Final Terms, one divided by the number of Interest Payment Dates in each twelve-month period (or, where the calculation period does not constitute an Interest Period, one divided by the number of Interest Payment Dates in each twelve-month period multiplied by the actual number of days in the calculation period divided by the number of days in the Interest Period ending on the next Interest Payment Date).

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If “adjusted” is specified in the applicable Final Terms in the Day Count Fraction item, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date and calculated from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, as such Interest Payment Date shall, where applicable, be adjusted in accordance with the Business Day Convention.

If “unadjusted” is specified in the applicable Final Terms in the Day Count Fraction item, interest in respect of the relevant Interest Period shall be payable in arrear on the relevant Interest Payment Date, as adjusted in accordance with the Business Day Convention, but shall be calculated in respect of the period from (and including) a Period End Date (or the Interest Commencement Date) to (but excluding) the next (or first) Period End Date. For the purpose of this paragraph **“Period End Date”** means an Interest Payment Date prior to any modification as result of any Business Day Convention.

5. Payments

(a) Method of payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency; and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to: (A) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 7; and (B) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **“Code”**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or

agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, and the Issuer shall not be required to pay any additional amounts under Condition 7 (Taxation) on account of any such deduction or withholding described in this limb (B).

(b) Presentation of definitive Bearer Notes and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Fixed Rate Reset Note, Variable Interest Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the

preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against presentation and surrender of the relevant definitive Bearer Note.

(c) Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Bearer Global Note, where applicable, against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note either by the Paying Agent to which it was presented, and such record shall be prima facie evidence that the payment in question has been made, or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

No payments of principal, interest or other amounts due in respect of a Bearer Global Note will be made by mail to an address in the United States or by transfer to an account maintained in the United States.

(d) Payments in respect of Registered Notes

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg or any other relevant clearing system are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth calendar day before the relevant due date (in each case, the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal amount of the Notes held by a holder is less than U.S.\$100,000 (or its equivalent), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the

close of business on the Record Date at their address shown in the Register on the Record Date and at their risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Rule 144A Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency for conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Trustee and the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) General provisions applicable to payments

For so long as the Notes of a Series are listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities and for so long as the rules of the FCA so require, the Issuer shall procure that there is a Paying Agent approved in writing by the Trustee in the City of London for the payment of principal and interest, if any, on the Notes.

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) Payment Days

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to any further payment in respect of such delay. “**Payment Day**” means any day which (subject to Condition 8):

- (i) in respect of Notes in definitive form only, is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation; or
- (ii) in the case of any payment in respect of a Rule 144A Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Rule 144A Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City; and
- (iii) is a Business Day as defined in Condition 4(f).

(g) Interpretation of principal and interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;

- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) the Loss Absorption Disqualification Redemption Amount(s) (if any) of the Senior Notes issued by Santander UK Group Holdings;
- (vi) in relation to Zero Coupon/Discount Notes, the Amortised Face Amount (as defined in Condition 6(h)); and
- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. Redemption and Purchase

(a) Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below or in the applicable Final Terms, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption at the option of the Issuer for tax reasons

If:

- (i) for the purposes of any Notes (whether Senior Notes or Dated Subordinated Notes), as a result of a Tax Law Change:
 - (a) in making any payments on the Notes, the Issuer will or would be required to pay additional amounts on the Notes under Condition 7; or
 - (b) the Issuer will not or would not be entitled to claim a deduction in respect of any payments (other than the repayment of the principal amount of the Notes) in computing its taxation liabilities or the amount of the deduction would be materially reduced; or
- (ii) for the purposes of Dated Subordinated Notes only, as a result of a Tax Law Change:
 - (a) the Dated Subordinated Notes will or would no longer be treated as loan relationships for United Kingdom tax purposes;
 - (b) the Issuer will not or would not, as a result of the Dated Subordinated Notes being in issue, be able to have losses or deductions set against

the profits or gains, or profits or gains offset by the losses or deductions, of companies with which the Issuer is or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of issue of the Dated Subordinated Notes or any similar system or systems having like effect as may from time to time exist);

- (c) the Issuer will or would, in the future, have to bring into account a taxable credit, taxable profit or the receipt of taxable income if the principal amount of the Dated Subordinated Notes were written down, on a permanent or temporary basis, or the Dated Subordinated Notes were converted into ordinary shares in the capital of the Issuer, or
- (d) the Dated Subordinated Notes or any part thereof will or would become treated as a derivative or an embedded derivative for United Kingdom tax purposes,

(each such event, a **“Tax Event”**) then the Issuer may (subject, in the case of Dated Subordinated Notes and Senior Notes issued by Santander UK Group Holdings, to Condition 6(k)), provided that in the case of each Tax Event, the consequences of the Tax Event cannot be avoided by the Issuer taking reasonable measures available to it, having given not less than 30 nor more than 60 days’ notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), redeem all, but not some only, of the Notes at any time (if this Note is neither a Floating Rate Note nor a Variable Interest Note) or on the next Interest Payment Date (in the case of Floating Rate Notes or Variable Interest Notes). Upon the expiry of such notice the Issuer shall be bound to redeem the Notes accordingly.

Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the relevant requirement or circumstance referred to in this Condition 6(b) applies and the consequences of the relevant Tax Event cannot be avoided by the Issuer taking reasonable measures available to it. Such certificate shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct, conclusive and sufficient evidence thereof and the Trustee is entitled to rely on such certificate without liability to any person.

In these Conditions:

“Tax Law Change” means a change in, or amendment to, the laws or regulations of the United Kingdom or the taxing jurisdiction of any territory in which the Issuer is incorporated or resident for tax purposes, or any political subdivision or authority therein or thereof having the power to tax, including any treaty to which the UK is a party, or any change in the application of such laws by a decision of any court or tribunal, that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions (in respect of securities similar to the relevant Notes and which, in the case of the Dated Subordinated Notes, are capable of constituting Tier 2 Capital) or which differs from any

specific written confirmation given by a tax authority in respect of the relevant Notes, which change or amendment becomes effective or, in the case of a change in law, if such change is enacted by a UK Act of Parliament or by Statutory Instrument, on or after the Issue Date of the first Tranche of Notes of the relevant Series.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount determined pursuant to Condition 6(h) below.

(c) Redemption at the option of the Issuer (Issuer Call)

If the Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may (subject, in the case of Dated Subordinated Notes and Senior Notes issued by Santander UK Group Holdings, to Condition 6(k)) having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Principal Paying Agent, the Noteholders, and in the case of a redemption of Registered Notes, the Registrar, (which notice shall be irrevocable and shall specify the date fixed for redemption) redeem all or (if so specified in the applicable Final Terms) some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount (if any). In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of DTC and/or Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than the minimum period specified in the applicable Final Terms prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

(d) Redemption of Dated Subordinated Notes at the option of the Issuer due to Regulatory Capital Event

This Condition 6(d) is only applicable to Dated Subordinated Notes issued by Santander UK Group Holdings.

If the Regulatory Capital Event Call is specified as being applicable in the applicable Final Terms relating to Dated Subordinated Notes and a Regulatory Capital Event has occurred and is continuing, the Issuer may (subject to Condition 6(k)), having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent

and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), redeem all, but not some only, of the Dated Subordinated Notes at any time (if this Dated Subordinated Note is neither a Floating Rate Note nor a Variable Interest Note) or on the next Interest Payment Date (in the case of Floating Rate Notes or Variable Interest Notes). Upon the expiry of such notice the Issuer shall be bound to redeem the Dated Subordinated Notes accordingly. Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the relevant requirement or circumstance referred to in this Condition 6(d) applies. Such certificate shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct, conclusive and sufficient evidence thereof and the Trustee is entitled to rely on such certificate without liability to any person.

Dated Subordinated Notes redeemed pursuant to this Condition 6(d) will be redeemed at their Early Redemption Amount determined pursuant to Condition 6(h) below.

In these Conditions, a “**Regulatory Capital Event**” will occur if at any time there is a change in the regulatory classification of the Dated Subordinated Notes occurring after the Issue Date of the first Tranche of Notes of the relevant Series that does, or will, result in the Dated Subordinated Notes being fully or partially excluded from the Tier 2 Capital of the Group.

(e) Redemption at the option of the Noteholders of Notes issued by Santander UK (Investor Put)

This Condition 6(e) is only applicable to Senior Notes issued by Santander UK.

If Investor Put is specified as being applicable in the applicable Final Terms in respect of any Senior Notes issued by Santander UK, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 13 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms specified in the applicable Final Terms (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem in whole (but not, in the case of a Bearer Note in definitive form, in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 6(e) in any multiple of their lowest Specified Denomination.

If this Note is in definitive form, to exercise the right to require redemption of this Note, the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a “**Put Notice**”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be

redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). Holders of Notes represented by a Global Note or in definitive form and held through DTC, Euroclear and/or Clearstream, Luxembourg must exercise the right to require redemption of their Notes by giving notice (including all information required in the applicable Put Notice) through DTC, Euroclear or Clearstream, Luxembourg, as the case may be (which notice may be in electronic form) in accordance with their standard procedures.

(f) Redemption of Senior Notes issued by Santander UK Group Holdings at the option of the Issuer due to Loss Absorption Disqualification Event (Loss Absorption Disqualification Event Call)

This Condition 6(f) is only applicable to Senior Notes issued by Santander UK Group Holdings.

If the Loss Absorption Disqualification Event Call is specified as being applicable in the applicable Final Terms relating to Senior Notes issued by Santander UK Group Holdings and a Loss Absorption Disqualification Event has occurred and is continuing, the Issuer may (subject to Condition 6(k)), having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Principal Paying Agent, the Noteholders and, in the case of a redemption of Registered Notes, the Registrar, (which notice shall be irrevocable and shall specify the date fixed for redemption (the “**Loss Absorption Disqualification Redemption Date**”)) redeem all, but not some only, of such Senior Notes at any time (if this Senior Note is neither a Floating Rate Note nor a Variable Interest Note) or on the next Interest Payment Date (in the case of Floating Rate Notes or Variable Interest Notes) and at the Loss Absorption Disqualification Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Loss Absorption Disqualification Redemption Date. Upon the expiry of such notice the Issuer shall be bound to redeem such Senior Notes accordingly. Prior to the publication of any notice of redemption pursuant to this Condition 6(f), the Issuer shall deliver to the Trustee a certificate signed by two duly authorised signatories of the Issuer stating that the relevant requirement or circumstance referred to in this Condition 6(f) applies and any preconditions to the exercise of the Loss Absorption Disqualification Event Call specified in any Loss Absorption Regulation are satisfied. Such certificate shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct, conclusive and sufficient evidence thereof and the Trustee is entitled to rely on such certificate without liability to any person.

In these Conditions, a “**Loss Absorption Disqualification Event**” will occur if:

- (i) at the time that any Loss Absorption Regulation becomes effective after the Issue Date of the Senior Notes issued by Santander UK Group Holdings, and as a result of such Loss Absorption Regulation becoming so effective, in each case with respect to the Issuer and/or the Group, such Senior Notes are not or will not be eligible to qualify in full towards the Issuer’s and/or the Group’s

minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments; or

- (ii) as a result of any amendment to, or change in, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, in any such case becoming effective on or after the Issue Date of the Senior Notes issued by Santander UK Group Holdings, such Senior Notes are or will be either (x) fully excluded or (y) fully or partially excluded (as specified in the applicable Final Terms relating to such Senior Notes) from the Issuer's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments,

in each case as such minimum requirements are applicable to the Issuer of such Senior Notes and/or the Group and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations; provided that in the case of (i) and (ii) above, a Loss Absorption Disqualification Event shall not occur where the exclusion of such Senior Notes from the relevant minimum requirement(s) is due to the remaining maturity of such Senior Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the Issuer and/or the Group on the Issue Date of such Senior Notes.

In these Conditions, "**Loss Absorption Regulations**" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the United Kingdom, the PRA, the United Kingdom resolution authority, the Financial Stability Board and/or any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted or applied by the PRA and/or the United Kingdom resolution authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuer or to the Group).

(g) Clean-up Redemption Option (Clean-up Call)

If the Clean-up Redemption Option is specified as being applicable in the applicable Final Terms, and if 80 per cent. or any higher percentage specified in the applicable Final Terms (the "**Clean-up Percentage**") of the aggregate nominal amount of the relevant Series has been redeemed pursuant to Conditions 6(c) and/or 6(e) and/or purchased and cancelled pursuant to Conditions 6(i) and 6(j), the Issuer may (subject, in the case of Dated Subordinated Notes and Senior Notes issued by Santander UK Group Holdings, to Condition 6(k)) having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Principal Paying Agent, the Noteholders, and in the case of a redemption of Registered Notes, the Registrar, (which notice shall be irrevocable and shall specify the date fixed for redemption) redeem all, but not some only, of the Notes of such Series then outstanding on any Optional Clean-up Redemption Date and at the Optional Clean-up Redemption Amount(s) specified in, or determined in the manner specified in,

the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Clean-up Redemption Date.

(h) Early Redemption Amounts

For the purpose of Conditions 6(b) and 6(d) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note other than a Zero Coupon/Discount Note and a Variable Interest Note at the outstanding nominal amount together with interest accrued to (but excluding) the date fixed for redemption; or
- (ii) in the case of a Zero Coupon/Discount Note, at an amount (the “**Amortised Face Amount**”) equal to the nominal amount of the Note multiplied by the sum of:
 - (A) the Issue Price; and
 - (B) the product of the Issue Price and the Stated Yield compounded annually from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and payable on the basis of the Day Count Fraction specified in the applicable Final Terms;
- (iii) in the case of a Variable Interest Note, at an amount determined by the Calculation Agent or the Determination Agent (as applicable) that would on the due date for redemption have the effect of preserving for the holder of the Note the economic equivalent of the obligation of the Issuer to make the payment of :
 - (A) the Final Redemption Amount on the Maturity Date; and
 - (B) an amount or amounts representing the interest that is due as at the date of redemption.

For the purpose of Condition 9(b)(ii), references in this Condition 6(h) to the date of “redemption” shall be construed as references to the date of payment of the relevant claim.

(i) Purchases

The Issuer or any Subsidiary of the Issuer may (subject, in the case of Dated Subordinated Notes and Senior Notes issued by Santander UK Group Holdings, to Condition 6(k)) at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the relevant Subsidiary (as applicable), surrendered to any Paying Agent and/or the Registrar.

For the purposes of this Condition 6(i), a company is a “**Subsidiary**” of another company if that other company:

- (a) holds a majority of the voting rights in it;
- (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or
- (c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it,

or if it is a Subsidiary of a company that is itself a Subsidiary of that other company.

(j) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to paragraph (f) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(k) Conditions to redemption and purchase of Dated Subordinated Notes and/or Senior Notes issued by Santander UK Group Holdings

Any redemption or purchase of Dated Subordinated Notes (and/or Senior Notes issued by Santander UK Group Holdings, if applicable pursuant to any Loss Absorption Regulations) pursuant to Conditions 6(b), 6(c), 6(d), 6(f), 6(g) or 6(i) is subject to:

- (i) the Issuer having obtained Regulatory Approval; and
- (ii) the Issuer being in compliance with the Regulatory Preconditions.

For the purposes of this Condition 6:

“**Regulatory Approval**” means, at any time, such approval, consent or prior permission by, or notification required within prescribed periods to, the Regulator, or such waiver of the then prevailing Capital Rules in the case of Dated Subordinated Notes, or the then prevailing Loss Absorption Regulations in the case of Senior Notes issued by Santander UK Group Holdings, from the Regulator, as is required under the then prevailing Capital Rules in the case of Dated Subordinated Notes, or the then prevailing Loss Absorption Regulations in the case of Senior Notes issued by Santander UK Group Holdings, at such time; and

“**Regulatory Preconditions**” means:

- (a) if, at the time of such redemption or purchase, the prevailing Capital Rules in the case of Dated Subordinated Notes, or the prevailing Loss Absorption Regulations in the case of Senior Notes issued by Santander UK Group

Holdings, permit the redemption or purchase after compliance with any pre-conditions, the Issuer having complied with such pre-conditions; and

- (b) in the case of a redemption pursuant to Conditions 6(b) or 6(d) occurring prior to the fifth anniversary of the Issue Date of the first Tranche of the relevant Series of the Dated Subordinated Notes only,
 - (i) the Regulator being satisfied (such satisfaction to be evidenced by the granting of Regulatory Approval) that the Issuer has demonstrated to the satisfaction of the Regulator that the circumstance that entitles the Issuer to exercise its right of redemption was not reasonably foreseeable, judged at the Issue Date of the first Tranche of the relevant Series of the Dated Subordinated Notes and is (in the case of a redemption pursuant to Condition 6(d)) sufficiently certain or (in the case of a redemption pursuant to Condition 6(b)) material; or
 - (ii) if, at the time of such redemption, the prevailing Capital Rules permit the redemption after compliance with an alternative pre-condition, the Issuer having complied with such other pre-condition.

(l) Late payment

If any amount payable in respect of any Note is improperly withheld or refused upon its becoming due and repayable or is paid after its due date or on or after accelerated maturity following an Event of Default (as defined in Condition 9), the principal amount due and repayable in respect of such Note (the "**Late Payment**") shall itself accrue (in the case of Zero Coupon Notes only) or continue to accrue (in the case of any other Notes) interest (both before and after any judgment or other order of a court of competent jurisdiction) from (and including) the date on which such payment was improperly withheld or refused or, as the case may be, became due, to (but excluding) the Late Payment Date in accordance with the following provisions:

- (i) in the case of a Note other than a Zero Coupon/Discount Note or a Variable Interest Note, at the rate determined in accordance with Condition 4(a), 4(b) or 4(c), as the case may be;
- (ii) in the case of a Zero Coupon/Discount Note, at a rate equal to the Stated Yield; and
- (iii) in the case of a Variable Interest Note, at a rate calculated by the Calculation Agent so as to reasonably compensate the holder of the Note for the cost of funding the delay in receiving the Late Payment,

in each case on the basis of the Day Count Fraction specified in the applicable Final Terms or, if none is specified, on a 30/360 basis.

For the purpose of this paragraph (h) the "**Late Payment Date**" shall mean the earlier of:

- (A) the date which the Trustee determines to be the date on which, upon further presentation of the relevant Note, payment of the full amount (including interest as aforesaid) in the relevant currency in respect of such Note is to be made; and
- (B) the seventh day after notice is given to the relevant Noteholder(s) (whether individually or in accordance with Condition 13) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Note is available for payment,

provided that in the case of both (A) and (B), upon further presentation thereof being duly made, such payment is made.

7. Taxation

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding of or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of the United Kingdom or the taxing jurisdiction of any territory in which the Issuer is incorporated or resident for taxation purposes, or any political subdivision of either of the same or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event (but not in respect of any payment of principal in respect of Dated Subordinated Notes or Senior Notes issued by Santander UK Group Holdings) the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the holders after such withholding or deduction shall equal the respective amounts of principal, and interest, if applicable, which would have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of any requirement to make such withholding or deduction, except that no such additional amounts shall be payable in relation to any payment with respect to any Note or Coupon:

- (i) presented for payment by, or by a third party on behalf of, a holder who (a) would be able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority but fails to do so, or (b) is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of the holder having some connection with the above-mentioned taxing jurisdiction of the Issuer other than the mere holding of such Note or Coupon; or
- (ii) where such Note or Coupon is presented for payment in the jurisdiction in which the Issuer is incorporated or resident for tax purposes or in the United Kingdom; or
- (iii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of

30 days, assuming that day had been a Payment Day if that day was not in fact a Payment Day.

The “**Relevant Date**” means the date on which the payment in respect of the Note or Coupon first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the “**Relevant Date**” means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Noteholders in accordance with Condition 13.

All payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, and the Issuer shall not be required to pay any additional amounts under this Condition on account of any such deduction or withholding described in this paragraph.

8. Prescription

The Notes and, if applicable, the Coupons (which for this purpose shall not include Talons) will become void unless claims in respect of principal and/or interest are made within a period of 10 years in the case of principal and five years in the case of interest from the Relevant Date (as defined in Condition 7) relating hereto. The Issuer shall be discharged from its obligation to pay principal on a Registered Note to the extent that the relevant Registered Note certificate has not been surrendered to the Registrar by, or a cheque which has been duly despatched in the Specified Currency remains uncashed at, the end of the period of 10 years from the Relevant Date in respect of such payment. The Issuer shall be discharged from its obligation to pay interest on a Registered Note to the extent that a cheque which has been duly despatched in the Specified Currency remains uncashed at the end of the period of five years from the Relevant Date in respect of such payment. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. Events of Default and Enforcement

(a) Events of Default and enforcement in respect of Senior Notes issued by Santander UK

This Condition 9(a) is only applicable to Senior Notes issued by Santander UK.

In the case of any Series of Senior Notes issued by Santander UK, the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Senior Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Senior Notes are, and they shall accordingly thereby become,

immediately due and repayable each at their Early Redemption Amount (determined pursuant to Condition 6(g)) together with accrued interest as provided in the Trust Deed, in any of the following events ("**Events of Default**"):

- (i) if default is made for a period of 14 days or more in the payment of any principal or interest due in respect of the Notes or any of them and such sum has not been duly paid within a further 14 days following written notice from the Trustee to the Issuer requiring the non-payment to be made good, provided that it shall not be such a default if, during the 14 days after the Trustee's notice it satisfies the Trustee that such payment was refused or withheld in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, it shall not be such a default to refuse or withhold any such payment in accordance with advice given at any time during the said period of 14 days by independent legal advisers acceptable to the Trustee; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Senior Notes or the Trust Deed and (except where the Trustee considers such failure to be incapable of remedy when no such continuation or notice as is hereinafter referred to will be required) such failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (iii) if an effective resolution is passed or an order is made for the winding up or dissolution of the Issuer (except for the purposes of a reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders),

provided that, in the case of an Event of Default described in paragraph (ii) above, the Trustee shall have certified to the Issuer that such Event of Default is, in its opinion, materially prejudicial to the interests of the Noteholders.

At any time after the Senior Notes or any of them shall have become immediately due and repayable and have not been repaid, the Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce repayment thereof together with accrued interest, if any, and to enforce the provisions of the Trust Deed, but it shall not be bound to institute any such steps, actions or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter of the nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

(b) Events of Default and enforcement in respect of Dated Subordinated Notes and Senior Notes issued by Santander UK Group Holdings

This Condition 9(b) is only applicable to Notes issued by Santander UK Group Holdings.

In the case of any Series of Dated Subordinated Notes or Senior Notes issued by Santander UK Group Holdings:

- (i) if default is made for a period of 14 days or more in the payment of any principal or interest due in respect of the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, or any of them and such sum has not been duly paid within a further 14 days following written notice from the Trustee to the Issuer requiring the non-payment to be made good, the Trustee in its discretion may, and if so requested by Noteholders of at least one-quarter in principal amount of the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, then outstanding or if so directed by an Extraordinary Resolution, shall (subject in each case to Condition 9(b)(iv)) institute steps, actions or proceedings for the winding-up of the Issuer, but may take no further or other action to enforce, prove or claim for any such payment (except as provided in Condition 9(b)(ii)), provided that it shall not be such a default to refuse or withhold any such payment in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, it shall not be such a default to refuse or withhold any such payment in accordance with advice as to such validity or applicability given at any time during the said period of 14 days after the Trustee's notice by independent legal advisers acceptable to the Trustee;
- (ii) if an order is made by the competent court or resolution passed for the winding-up of the Issuer (other than an Approved Winding-up), the Trustee at its discretion may, and if so requested by Noteholders of at least one quarter in principal amount of the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to Condition 9(b)(iv)), give notice to the Issuer (or, as applicable, the liquidator) that the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, are, and they shall accordingly forthwith become, immediately due and repayable at the amount equal to their Early Redemption Amount, and, in the case of Dated Subordinated Notes, the claim in respect thereof will be subject to the subordination provided for in Condition 3(b);
- (iii) without prejudice to Conditions 9(b)(i) and 9(b)(ii) above, the Trustee may at its discretion and without further notice institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed, these Conditions and the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, and the relative Coupons (if any) (other than any payment obligation of the Issuer under or arising from the Dated

Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, and the relative Coupons (if any) or the Trust Deed including, without limitation, payment of any principal or interest in respect of the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, and the relative Coupons (if any) and any damages awarded for breach of any obligations) provided that in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums (in cash or otherwise) sooner than the same would otherwise have been payable by it. Nothing in this Condition 9(b)(iii) shall, subject to Condition 9(b)(i), prevent the Trustee instituting steps, actions or proceedings for the winding-up of the Issuer, proving in any winding-up of the Issuer and/or claiming in any liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, and the relative Coupons (if any) or the Trust Deed (including without limitation, payment of any principal or interest in respect of the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, and the relative Coupons (if any) and any damages awarded for any breach of any obligations);

- (iv) the Trustee shall not be bound to take any of the actions referred to in Condition 9(b)(i), 9(b)(ii) or 9(b)(iii) above to enforce the obligations of the Issuer under the Trust Deed or the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, then outstanding and (ii) provided in each case it has been indemnified and/or secured and/or prefunded to its satisfaction against all costs, charges, liabilities and expenses which may be incurred by it in connection with such action, including the costs of its management's time and/or other internal resources, calculated in accordance with its normal hourly rates in force from time to time;
- (v) no Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute steps, actions or proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such winding-up, fails to do so within a reasonable period and such failure is then continuing, in which case the relevant Noteholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9(b); and
- (vi) no remedy against the Issuer, other than as referred to in this Condition 9(b), shall be available to the Trustee, the Noteholders or the Couponholders, whether for the recovery of amounts owing in respect of the Dated Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Dated

Subordinated Notes or, if applicable, the Senior Notes issued by Santander UK Group Holdings, or under the Trust Deed.

10. Replacement of Notes, Coupons and Talons

Should any Note or, if applicable, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed it may be replaced, in the case of Bearer Notes or Coupons, at the specified office of the Principal Paying Agent or, in the case of Registered Notes, at the specified office of the Registrar (or in any case such other place of which notice shall have been given to the Noteholders in accordance with Condition 13) upon payment in any such case by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or, if applicable, Coupons or Talons must be surrendered before replacements will be issued.

11. Agents

The names of the initial Agents and their initial specified offices are set out below. If any additional Paying Agent(s) are appointed in connection with any Series, the names of such Paying Agent(s) will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, subject to the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or approve any change in the specified office through which any Agent acts and/or, subject to prior consultation with the Trustee, appoint additional or other Agents, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Note) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Paying Agent with a specified office in a city approved in writing by the Trustee in continental Europe other than any such jurisdiction in which the Issuer is incorporated or resident for tax purposes; and
- (d) so long as any of the Rule 144A Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in London.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(e). Notice of any variation, termination, appointment or change in respect of the Agents relating to the Notes will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

In acting under the Agency Agreement, the Agents act solely as agents or, as the case may be, registrars of the Issuer and, in certain circumstances, of the Trustee and do not

assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

12. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. Notices

All notices regarding the Bearer Notes will be deemed to be validly given if published in one leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication. If publication as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or admitted to listing by any other relevant authority and the rules of that stock exchange or other relevant authority so require, the relevant notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange or other relevant authority. Any such notice will be deemed to have been given on the date of such publication. If the giving of notice as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, notice may be given (so long as any Global Notes representing the Notes are held in their entirety on behalf of DTC, Euroclear and/or Clearstream, Luxembourg (and so long as the rules of any stock exchange on which the Notes are listed, or the rules of any other relevant authority by which the Notes have been admitted to listing, permit)) by delivery of the relevant notice to DTC, Euroclear and/or Clearstream, Luxembourg (instead of by way of publication or mailing) for communication by them to the holders of the Notes provided that, in addition, for so long as any Notes are listed on a stock exchange or admitted to listing

by any other relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in a place or places required by the rules of that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes the day after the day on which the said notice was given to DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. Meetings of Noteholders, Modification, Waiver, Determination and Substitution

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the provisions of these Terms and Conditions, the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer at the request of Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of these Terms and Conditions, the Notes, the Coupons or the Trust Deed as detailed in the Trust Deed (any such modification, a “**Basic Terms Modification**”), the quorum shall be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting one or more persons holding or representing not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Trustee may (in the case of paragraphs (a) and (b) below) agree, and the Trustee shall (in the case of paragraph (c) below) agree, in each case without the consent of the Noteholders or Couponholders, to:

- (a) (other than as detailed in the Trust Deed) any modification of, or any waiver or authorisation of any breach or proposed breach of, any of the provisions of these Terms and Conditions, the Notes, the Coupons or the Trust Deed or, in the case of modification, the Agency Agreement which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders;

- (b) any modification of any of the provisions of these Terms and Conditions, the Notes, the Coupons or the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable law; or
- (c) any modification to any of the provisions of these Terms and Conditions, the Notes, the Coupons, the Trust Deed or the Agency Agreement that the Issuer considers necessary for the purpose of changing the Reset Rate (in the case of Fixed Rate Reset Notes), the Reference Rate (in the case of Floating Rate Notes) or the Underlying Reference Rate (in the case of Variable Interest Notes), as applicable, from the relevant Original Reference Rate (as defined below) to an alternative reference rate (any such rate, an “**Alternative Reference Rate**”) and making such other amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (including, without limitation, the application of any spread(s) or adjustment(s) as are necessary or advisable in the reasonable judgment of the Issuer in connection with the use of the Alternative Reference Rate in place of the Original Reference Rate) (any such modification, a “**Reference Rate Modification**”), provided that:
 - (A) the Issuer certifies to the Trustee in writing (such certificate, a “**Reference Rate Modification Certificate**”) that the relevant Reference Rate Modification is being undertaken due to:
 - (i) a material disruption to the relevant Original Reference Rate, an adverse change in the methodology of calculating the relevant Original Reference Rate or the relevant Original Reference Rate ceasing to exist or be published;
 - (ii) the insolvency or cessation of business of the administrator of the relevant Original Reference Rate or any other relevant interest rate benchmark (in circumstances where no successor administrator has been appointed);
 - (iii) a public statement by the administrator of the relevant Original Reference Rate that it will cease publishing such Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator for the relevant Original Reference Rate has been appointed that will continue publication of the relevant Original Reference Rate) or has or will change the relevant Original Reference Rate in an adverse manner;
 - (iv) a public statement by the supervisor of the administrator of the relevant Original Reference Rate or the central bank for the currency of the relevant Original Reference Rate that the relevant Original Reference Rate has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

- (v) a public statement by the supervisor of the administrator of the relevant Original Reference Rate or the central bank for the currency of the relevant Original Reference Rate that means the relevant Original Reference Rate may no longer be used or that its use is or will be subject to restrictions or adverse consequences;
- (vi) a public announcement of the permanent or indefinite discontinuation of the relevant Original Reference Rate that applies to the Notes at such time; or
- (vii) the reasonable expectation of the Issuer that any of the events specified in sub-paragraph (i), (ii), (iii), (v) or (vi) will occur or exist within six months of the proposed effective date of the relevant Reference Rate Modification,

and, in each case, has been drafted solely to such effect;

- (B) the relevant Alternative Reference Rate is either:
 - (i) a rate published, endorsed, approved or recognised by the Bank of England, the Federal Reserve, the European Central Bank, any regulator in the United States, the United Kingdom or the European Union (as the case may be) or any stock exchange on which the Notes are listed and/or admitted to trading (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or
 - (ii) a rate that has replaced the relevant Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest or reset rates of interest, as applicable, (or the relevant component part thereof) denominated in the Specified Currency in respect of notes, bonds or securities and with interest periods or a reset period, as applicable, of a comparable duration to the relevant Interest Periods or Reset Period, as applicable, or if the Issuer (acting in good faith and in a commercially reasonable manner) determines that there is no such rate, such other rate as the Issuer (acting in good faith and in a commercially reasonable manner) determines in its sole discretion is most comparable to the relevant Original Reference Rate;
- (C) at least 35 calendar days' prior written notice of the relevant Reference Rate Modification has been given to the Trustee;
- (D) the Reference Rate Modification Certificate in relation to the relevant Reference Rate Modification is provided to the Trustee at the time the Trustee is notified of the relevant Reference Rate Modification and on the effective date of the relevant Reference Rate Modification;

- (E) with respect to each rating agency that has assigned to the Notes a rating that has been solicited by the Issuer, either:
- (i) the Issuer obtains from each such rating agency written confirmation that the relevant Reference Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by the relevant rating agency or (y) the relevant rating agency placing the Notes on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Trustee; or
 - (ii) the Issuer certifies in writing to the Trustee that it has notified each such rating agency of the relevant Reference Rate Modification and, in its opinion, formed on the basis of due consideration and consultation with each such rating agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at each such rating agency), the relevant Reference Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Notes by the relevant rating agency or (y) the relevant rating agency placing the Notes on rating watch negative (or equivalent);
- (F) the Issuer pays (or arranges for the payment of) all reasonable and documented fees, costs and expenses (including legal fees) properly incurred by the Trustee in connection with the relevant Reference Rate Modification;
- (G) if in the opinion of the Principal Paying Agent or, as the case may be, the Calculation Agent or the Determination Agent, there is in relation to the relevant Reference Rate Modification and the operation thereof any uncertainty between two or more alternative courses of action in making any determination or calculation, the Principal Paying Agent, the Calculation Agent or the Determination Agent, as the case may be, shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent, the Calculation Agent or the Determination Agent, as the case may be, in writing as to which alternative course of action to adopt; if the Principal Paying Agent, the Calculation Agent or the Determination Agent, as the case may be, is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason beyond its control, it shall notify the Issuer thereof and the Principal Paying Agent, the Calculation Agent or the Determination Agent, as the case may be, shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so; and
- (H) (i) the Issuer has given at least 30 calendar days' notice of the relevant Reference Rate Modification to the Noteholders and Couponholders in accordance with Condition 13 (in each case specifying the date and

time by which such Noteholders must respond if they do not consent to the relevant Reference Rate Modification, as described below), and (ii) Noteholders representing at least ten per cent. in nominal amount of the Notes for the time being outstanding have not notified the Issuer in accordance with Condition 13 within such notification period that such Noteholders do not consent to the relevant Reference Rate Modification.

If Noteholders representing at least ten per cent. in aggregate nominal amount of the Notes for the time being outstanding have notified the Issuer within the notification period described above that they do not consent to the relevant Reference Rate Modification, then the relevant Reference Rate Modification will not be made unless it is sanctioned by an Extraordinary Resolution of the holders of the Notes pursuant to the Trust Deed (and, for the purposes of the relevant Extraordinary Resolution, the relevant Reference Rate Modification will not constitute a Basic Terms Modification).

For the avoidance of doubt, the Issuer may propose an Alternative Reference Rate on more than one occasion provided that the conditions set out in this Condition 14(c) are satisfied.

Notwithstanding any other provision of this Condition 14(c), no Reference Rate Modification will be made if and to the extent that, in the sole determination of the Issuer, the same could reasonably be expected to prejudice (i) the qualification of the Dated Subordinated Notes as Tier 2 Capital of the Issuer or of the Group or (ii) the eligibility of the Senior Notes issued by Santander UK Group Holdings to qualify in full towards the Issuer's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments.

For the purpose of this Condition 14(c), "**Original Reference Rate**" means (i) in respect of any Fixed Rate Reset Notes where Mid-Swap Rate is specified as the Reset Rate in the applicable Final Terms, the Mid-Swap Rate (or any relevant component part thereof), (ii) in respect of any Floating Rate Notes where EURIBOR, Compounded Daily SONIA, Compounded Daily €STR, Compounded Daily SORA or CMS Reference Rate, as the case may be, is specified as the Reference Rate for any period in the applicable Final Terms, EURIBOR, SONIA reference rate, €STR reference rate, SORA reference rate or the Relevant Swap Rate, as applicable (or any relevant component part thereof), or (iii) in respect of any Variable Interest Notes where EURIBOR, Compounded Daily SONIA, Compounded Daily €STR, Compounded Daily SORA or CMS Reference Rate, as the case may be, is specified as the Underlying Reference Rate for any period in the applicable Final Terms, EURIBOR, SONIA reference rate, €STR reference rate, SORA reference rate or the Relevant Swap Rate (or any relevant component part thereof), as applicable (provided that if pursuant to a previous Reference Rate Modification or otherwise pursuant to these Terms and Conditions, such originally specified rate has been replaced by an Alternative Reference Rate or another replacement

rate, the term "Original Reference Rate" shall then include any such Alternative Reference Rate or other replacement rate and the provisions of this Condition 14(c) shall then apply to such Alternative Reference Rate or other replacement rate, *mutandis mutatis*).

When implementing any modification pursuant to this Condition 14(c):

- (A) a Reference Rate Modification shall not constitute a Basic Terms Modification;
- (B) the Trustee shall not consider the interests of the Noteholders or any other person and shall act and rely solely and without investigation or liability on any Reference Rate Modification Certificate or other certificate or evidence provided to it by the Issuer; and the Trustee shall not be liable to the Noteholders or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (C) the Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights, powers, authorisations, discretions, indemnification or protections, of the Trustee under these Terms and Conditions and/or the Trust Deed.

The Issuer and the Principal Paying Agent may agree, without the consent of the Trustee, the Noteholders or Couponholders, to any modification of any of the provisions of any applicable Final Terms which is of a formal, minor or technical nature or is made to correct a manifest error.

The Trustee may also determine, without the consent of the Noteholders or the Couponholders, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such if the Trustee is satisfied that so to do will not be materially prejudicial to the interests of the Noteholders. In addition, the Trustee shall, without the consent of the Noteholders or the Couponholders, concur with the Issuer in making modifications to these Terms and Conditions and/or other relevant transaction documents to which it is a party that the Issuer considers necessary in the circumstances set out in Condition 4(c)(ii)(B)(VII). Subject as provided in the Trust Deed, the Trustee, if it is satisfied that so to do would not be materially prejudicial to the interests of the Noteholders, may agree, without the consent of the Noteholders or Couponholders, to the substitution of any other person or persons incorporated in any country in the world in place of the Issuer as principal debtor under the Trust Deed, the Notes and, if applicable, the Coupons. The Trustee may also agree without the consent of the Noteholders or Couponholders to the addition of another company as an issuer of Notes under the Programme and the Trust Deed. Any such addition shall be subject to the relevant provisions of the Trust Deed and to such amendment thereof and such other conditions as the Trustee may require.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences (including any tax consequences) of such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except, in the case of the Issuer to the extent provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

Any such modification, waiver, authorisation, determination, substitution or addition as aforesaid shall be binding on the Noteholders the Couponholders and, unless the Trustee agrees otherwise, any such modification or substitution shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

No such modification, waiver, authorisation, determination, substitution or addition as aforesaid which relates to any Dated Subordinated Notes (and/or any Senior Notes issued by Santander UK Group Holdings, if applicable pursuant to any Loss Absorption Regulations) shall become effective unless the Issuer shall have received the consent of the Regulator (unless such consent is not then required under the Capital Rules in the case of Dated Subordinated Notes, or the Loss Absorption Regulations in the case of Senior Notes issued by Santander UK Group Holdings).

15. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the issue price and date of issue thereof and the amount and date of the first payment of interest thereon and so as to be consolidated and form a single series with the outstanding Notes; provided, however, that if such further notes are not issued as part of the same "issue", in a "qualified reopening" or with no more than a *de minimis* amount of original issue discount, in each case for U.S. federal income tax purposes, the further notes will have a separate Common Code, ISIN and (where applicable) CUSIP and CINS from such numbers assigned to the previously issued Notes. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series in certain circumstances where the Trustee so decides.

16. Miscellaneous

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

A person who is not a Noteholder has no right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy which exists or is available apart from that Act.

17. Governing Law

The Trust Deed, the Agency Agreement, the Notes and the Coupons, and any non-contractual obligations arising out of, or in connection with, the Trust Deed, the Agency Agreement, the Notes and/or the Coupons, are governed by, and shall be construed in accordance with, English law.

18. Agreement and Acknowledgement with Respect to the Exercise of Bail-in Power

(a) Recognition of Bail-in

Notwithstanding and to the exclusion of any other term of any Series of Notes or any other agreements, arrangements, or understandings between the Issuer and any Noteholder (or the Trustee on behalf of the Noteholders), by its acquisition of the Notes, each Noteholder (and the Trustee on behalf of the Noteholders), acknowledges and accepts that the Amounts Due arising under the Notes may be subject to the exercise of Bail-in Powers by the Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by:

- (i) the effect of the exercise of Bail-in Power by the Resolution Authority, that may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due;
 - (B) the conversion of all, or a portion, of the Amounts Due on the Notes into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;
 - (C) the cancellation of the Notes; or
 - (D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) the variation of the terms of the Notes, if necessary, to give effect to the exercise of the Bail-in Power by the Resolution Authority.

(b) Payments of Interest and Other Outstanding Amounts Due

No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any Bail-in Power by the Resolution Authority if and to

the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

(c) Event of Default

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes, will be an Event of Default or default for any purpose.

(d) Notice to Noteholders

Upon the exercise of the Bail-in Power by the Resolution Authority with respect to any Notes, the Issuer shall notify the Trustee and the Principal Paying Agent in writing of such exercise and give notice of the same to Noteholders in accordance with Condition 13 (Notices). Any delay or failure by the Issuer in delivering any notice referred to in this Condition 18(d) shall not affect the validity and enforceability of the Bail-in Power.

For the purposes of this Condition 18:

"Amounts Due" means the principal amount of, together with any accrued but unpaid interest due on, the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-in Power by the Resolution Authority;

"Bail-In Legislation" means Part I of the Banking Act 2009, as amended and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings);

"Bail-in Power" means the powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or affiliate of a bank or investment firm, to cancel, reduce, transfer, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability; and

"Resolution Authority" means the Bank of England or any successor or replacement thereto or such other authority in the United Kingdom with the ability to exercise the Bail-in Power.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used for general corporate purposes of the relevant Issuer and its subsidiaries and/or the Group, as applicable. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUERS AND THE GROUP

Background

Santander UK Group Holdings plc is a public limited company incorporated and registered in England and Wales under the Companies Act 2006. It was incorporated on 23 September 2013 as a private limited company with registered number 8700698 with the name Nuevo Topco Limited. On 16 December 2013, Santander UK Group Holdings changed its name to Santander UK Group Limited. On 22 January 2014, Santander UK Group Holdings changed its name to Santander UK Group Holdings Limited. On 25 March 2015, Santander UK Group Holdings reregistered as a public limited company. On 10 January 2014, Santander UK Group Holdings became the holding company of Santander UK plc following its acquisition of Santander UK from Banco Santander, S.A. and Santusa Holding, S.L. ("**Santusa Holding**").

The principal executive office and registered office of Santander UK Group Holdings is at 2 Triton Square, Regent's Place, London, NW1 3AN. The telephone number of Santander UK Group Holdings is +44 (0) 800 389 7000.

Santander UK Group Holdings' principal operating subsidiary is Santander UK. Santander UK was originally formed as a building society and was registered in 1944 under the name Abbey National Building Society with registration number 1B. It is now a public limited liability company incorporated and registered in England and Wales under the Companies Act 2006. It was incorporated on 12 September 1988 with registered number 2294747. Santander UK is a wholly-owned subsidiary of Santander UK Group Holdings.

Santander UK Group Holdings is a subsidiary of Banco Santander and Santusa Holding. Banco Santander and its subsidiary Santusa Holding together hold the entire issued share capital of Santander UK Group Holdings.

The principal executive office and registered office of Santander UK is at 2 Triton Square, Regent's Place, London, NW1 3AN. The telephone number of Santander UK is +44 (0) 800 389 7000.

Santander UK is a wholly-owned subsidiary of Santander UK Group Holdings. Santander UK Group Holdings and Santander UK operate on the basis of a unified business strategy and have common boards, albeit the principal business activities of the Group are carried on by Santander UK and its subsidiaries.

Corporate Purpose

The Group's purpose is to help people and business prosper.

Business and Support Divisions

The Group operates four business divisions as follows:

Retail Banking

Retail Banking consists of two business units, Homes and Everyday Banking. Homes provides prime UK mortgage lending to owner occupiers and buy-to-let landlords with small portfolios. Everyday Banking provides banking services and unsecured lending to individuals and small businesses, as well as wealth management for high-net-worth clients.

Corporate and Commercial Banking

Corporate and Commercial Banking provides banking products and services to SMEs, mid-sized and larger corporates, typically with annual turnovers of between £2m and £500m, as well as to Local Authorities and Housing Associations.

Consumer Finance

Consumer Finance provides prime auto consumer financing for individuals, businesses, and automotive distribution networks.

Corporate Centre

Corporate Centre provides treasury services for asset and liability management of the Group's balance sheet, as well as management of non-core and legacy portfolios.

Directors of the Issuers

The following table sets forth the directors of Santander UK plc:

Position	Name	Other Principal Activities
Chair	William Vereker	Chair, Santander UK Group Holdings plc Member of the UK Investment Council. Member and Special Advisor of Delancey Credit and Income Fund GP – Investment Committee. Chairman of Gonville & Caius Development Advisory Group
Executive Director and Chief Executive Officer	Mike Regnier	Chief Executive Officer, Santander UK Group Holdings plc
Executive Director and Chief Financial Officer	Duke Dayal	Chief Financial Officer, Santander UK Group Holdings plc
Independent Non-Executive Director	Lisa Fretwell	Independent Non-Executive Director, Santander UK Group Holdings plc Independent Non-Executive Director, Restore plc
Independent Non-Executive Director, Employee Designated Director, Senior Ring-Fencing Director	Annemarie Durbin	Non-Executive Director and Chair of Remuneration Committee of Persimmon Plc. Chair, Cater Allen Limited

Position	Name	Other Principal Activities
Independent Non-Executive Director, Senior Independent Director	Ed Giera	Independent Non-Executive Director, Santander UK Group Holdings plc Non-Executive Director of Rothesay Life PLC
Independent Non-Executive Director, Whistleblowers Champion	Chris Jones	Independent Non-Executive Director, Santander UK Group Holdings plc Independent Non-Executive Director of Legal & General Investment Management (Holdings) Limited Audit and Risk Committee Member, Wellcome Trust
Independent Non-Executive Director	Mark Lewis	Trustee of The Photographers Gallery
Banco Santander Nominated Non-Executive Director	Dirk Marzluf	Chairman, Santander Global Operations SA Chairman, Santander Global Technology SL Director of Ebury Partners Limited
Independent Non-Executive Director	The Rt Hon. The Baroness Morgan of Cotes	Non-executive director of Financial Services Compensation Scheme, Careers & Enterprise Company and Great Central Railway plc. Chair of the Association of British Insurers.
Banco Santander Nominated Non-Executive Director	Antonio Simões	Non-Executive Director, Santander UK Group Holdings plc Trustee for the Prince's Trust International Director of PagoNXT, S.L. (Spain)
Banco Santander Nominated Non-Executive Director	Pamela Walkden	Non-Executive Director, Santander UK Group Holdings Independent Non-Executive Director and Chair of the Audit Committee of Banco Santander, S.A. Member of the Advisory Board at JD Haspel Limited

The following table sets forth the directors of Santander UK Group Holdings plc:

Position	Name	Other Principal Activities
Chair	William Vereker	Chair, Santander UK plc Member of the UK Investment Council. Member and Special Advisor of Delancey Credit and Income Fund GP – Investment Committee. Chairman of Gonville & Caius Development Advisory Group.
Executive Director and Chief Executive Officer	Mike Regnier	Chief Executive Officer, Santander UK plc
Independent Non-Executive Director	Lisa Fretwell	Independent Non-Executive Director, Santander UK plc Independent Non-Executive Director, Restore plc
Executive Director and Chief Financial Officer	Duke Dayal	Chief Financial Officer, Santander UK plc
Independent Non-Executive Director and Senior Independent Director	Ed Giera	Independent Non-Executive Director, Santander UK plc Non-Executive Director of Rothesay Life PLC
Independent Non-Executive Director and Santander UK plc's Whistleblower's Champion	Chris Jones	Independent Non-Executive Director, Santander UK plc Independent Non-Executive Director of Legal & General Investment Management (Holdings) Limited Audit and Risk Committee Member, Wellcome Trust
Banco Santander Nominated Non-Executive Director	Antonio Simões	Non-Executive Director, Santander UK plc Trustee for the Prince's Trust International Director of PagoNxT, S.L. (Spain)
Banco Santander Nominated Non-Executive Director	Pamela Walkden	Non-Executive Director, Santander UK plc Independent Non-Executive Director and Chair of the Audit Committee of Banco Santander, S.A. Member of the Advisory Board at JD Haspel Limited

The business address of each of the directors is 2 Triton Square, Regent's Place, London NW1 3AN with telephone number +44 (0) 800 389 7000.

Conflicts of Interest

There are no potential conflicts of interest between the duties to each of the Issuers of the persons listed above and their private interests and/or other duties.

Credit Ratings

As at the date of this Prospectus, the long-term obligations of Santander UK are rated A by S&P, A1 by Moody's and A+ by Fitch, and the short-term obligations of Santander UK are rated A-1 by S&P, P-1 by Moody's and F1 by Fitch. As at the date of this Prospectus, the long-term obligations of Santander UK Group Holdings are rated BBB by S&P, Baa1 by Moody's and A by Fitch, and the short-term obligations of Santander UK Group Holdings are rated A-2 by S&P, P-2 by Moody's and F1 by Fitch.

REGULATION OF THE GROUP

As a financial services group, the Group is subject to extensive financial services laws, regulations, administrative actions and policies in the UK and in each other location in which the Group operates. This intensive approach to supervision is maintained in the United Kingdom by the PRA and the FCA. As well as being subject to UK regulation, as a result of forming part of the Banco Santander group, the Group is also affected by other regulators, such as the Banco de España and the ECB, as well as various legal and regulatory regimes (including the U.S.) that have extra-territorial effect. Extensive legislation and implementing regulations affecting the financial services industry have recently been adopted in regions that directly or indirectly affect the Group's business, including Spain, the U.S., the EU and other jurisdictions. In the UK and elsewhere, there is continuing political, competitive and regulatory scrutiny of the banking industry. Political involvement in the regulatory process, in the behaviour and governance of the UK banking sector and in the major financial institutions in which the UK government has a direct financial interest is likely to continue.

Approach of the Financial Conduct Authority (FCA)

As per the FSMA (as amended by the Financial Services Act 2012), the FCA has a strategic objective to ensure that the relevant markets function well. In support of this, the FCA has three operational objectives: to secure an appropriate degree of protection for consumers, to protect and enhance the integrity of the UK financial system and to promote effective competition in the interests of consumers.

The FCA Handbook sets out rules and guidance across a range of conduct issues with which financial institutions are required to comply including high level principles of business and detailed conduct of business standards and reporting standards.

Regulatory Approach of the PRA

As per the Financial Services Act 2012, the PRA has two primary objectives: to promote the safety and soundness of the firms which it regulates and, with respect to insurers, to contribute to the securing of an appropriate degree of protection for policyholders. The PRA has a secondary objective in respect of the promotion of effective competition in the markets for services provided by PRA authorised firms. The PRA's regulatory and supervisory approach incorporates three key characteristics: to take a judgement-based approach, a forward-looking approach, and a focused approach.

The PRA Rulebook includes regulations and guidance relating to capital adequacy and liquidity, among several other things.

U.S. regulation

Within the Dodd-Frank Act, the so-called Volcker Rule, prohibits 'banking entities', including the Group, from engaging in certain forms of proprietary trading or from sponsoring or investing in certain covered funds, in each case subject to certain exemptions, including exemptions permitting foreign banking entities to engage in trading and fund activities that take place solely outside of the US. The Volcker Rule also contains exclusions and certain exemptions for market-making, hedging, underwriting, trading in US government and agency obligations as well as certain foreign government obligations, and also permits ownership interests in certain types of funds to be retained such as new exclusions for credit funds, venture capital funds, family

wealth management vehicles and client facilitation vehicles. The Group has policies, procedures and controls in place designed to achieve compliance with the Volcker Rule.

The Banking Act 2009

The special resolution regime set out in the Banking Act 2009 provides HM Treasury, the BoE, the PRA and the FCA with a variety of powers for dealing with UK deposit taking institutions (and, in certain circumstances, their holding companies) that are failing or likely to fail, including: (i) to take a bank or bank holding company into temporary public ownership; (ii) to transfer all or part of the business of a bank to a private sector purchaser; or (iii) to transfer all or part of the business of a bank to a 'bridge bank'. The special resolution regime also comprises a separate insolvency procedure and administration procedure each of which is of specific application to banks. These insolvency and administration measures may be invoked prior to the point at which an application for insolvency proceedings with respect to a relevant institution could be made.

The Financial Services (Banking Reform) Act 2013 further amended the Banking Act 2009 to introduce a UK 'bail-in power' to implement the BRRD, which contains a bail-in power similar to that contained in the Banking Act and requires EU Member States to provide resolution authorities with the power to write down the claims of unsecured creditors of a failing institution and to convert unsecured claims to equity (subject to certain parameters). The UK bail-in power is an additional power available to the UK resolution authorities under the special resolution regime provided for in the Banking Act 2009. This enables them to recapitalise a failed institution by allocating losses to such institution's shareholders and unsecured creditors, subject to the rights of such shareholders and unsecured creditors to be compensated under a bail-in compensation order.

Competition

The CMA is the UK's main competition authority responsible for ensuring that competition and markets work well for consumers. In addition, under the Banking Reform Act, as of 1 April 2015, the FCA has the power to enforce against breaches of the Competition Act 1998 and to refer markets to the CMA for in-depth investigation in the areas of financial services in the UK. As of 1 April 2015, the PSR also has an objective and powers equivalent to those of the FCA to promote competition in the payments industry.

Payments

Within the UK, the Payment Systems Regulator has mandated that Santander UK builds systems and processes for both Confirmation of Payee as well as the CRM both of which aim to reduce the level of customer fraud (particularly through the Group's customers 'manipulation into making payments known as "Authorised Push Payment" fraud). Under these standards, the Group assumes responsibility for certain categories of customer losses, and inherent failings in system design may lead to fines from regulators and/or compensation being paid to customers. The Group also expects to see significant developments in the key UK payment systems architecture -with systems update of the high value CHAPS system through RTGS renewal as well as the "New Payments Architecture" for faster payments, BACS and the other lower value retail payment schemes. The COVID-19 pandemic has also accelerated the existing trend of declining use of cash. Combined with existing overcapacity, this has led the industry to consider the creation of a single "Cash Utility" which would manage the operation of all cash processing

infrastructure within the UK. The PSD2 has been implemented within the UK and the UK continues to build upon the requirements within the EBA Regulatory Technical Standards via the Open Banking API industry standard and build. Santander UK has also adapted systems and pricing to comply with other European regulations -including the Second Cross Border Payments Regulation which has required Santander UK to baseline the majority of EEA currency payments against their domestic equivalents in price.

Finally, the Group has reviewed its use of European payments systems and processes in light of the end of the UK's transition period with the EU and has concluded that it can remain within the SEPA Payment Scheme and continue to send SEPA Euro Payments via Madrid to EEA beneficiaries. However, as the Group is not domiciled in the EU, it has needed to exit the other (high value) Euro payment schemes, being EURO1 and Target 2. It has negotiated new arrangements to access those systems via Madrid and a correspondent banking relationship agreement has been agreed and is operational.

Financial Crime

On 30 May 2018, the Council of EU and the European Parliament amended the Fourth Anti-Money Laundering Directive (the "**Directive**"), publishing the amending Directive (EU) No 2018 / 843 ("**5th AMLD**").

The 5th AMLD brought in increased corporate transparency rules, introduced the application of AML rules to firms providing services associated with virtual currencies and further extended enhanced due diligence ("**EDD**") requirements to all transactions with natural persons or legal entities established in third countries identified as high-risk countries ("**HRTCs**") pursuant to Article 9(2) of the Directive.

The UK government transposed the Directive into UK law on 20 December 2019, amending the UK's Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("**MLRs**") through the Money Laundering and Terrorist Financing (Amendment) Regulations 2019. The latter came into effect on 10 January 2020 and, among other changes, introduced a requirement to report beneficial ownership discrepancies to Companies House. Further amendments to the MLRs were made by the Money Laundering and Terrorist Financing (Amendment) (EU Exit) Regulations 2020.

On 25 March 2021, HM Treasury published a new statutory instrument, The Money Laundering and Terrorist Financing (Amendment) (High Risk Countries) Regulations 2021 amending the MLRs by replacing references to the European Commission's list of HRTCs (in respect of which EDD and additional specific EDD measures must be taken under the MLRs) with a UK list identified in a new Schedule 3ZA to the MLRs. This was the first exercise of the powers in section 49 of the Sanctions and Anti-Money Laundering Act 2018 ("**SAMLA**"). The UK list of HRTCs came into force on 26 March 2021 and has since been amended through separate statutory instruments that came into force on 13 July and 2 November reflecting changes to the Financial Action Task Force ("**FATF**") list of jurisdictions under increased monitoring.

In July 2021, the UK government launched two consultations on the MLRs (as amended). The first targeted specific changes to align the UK's AML/CTF regime with recent amendments to FATF standards and introduce certain technical changes. The second was a "Call for Evidence" examining the effectiveness and future state of the UK's AML/CTF regime. Both consultations

closed in October, with legislation and a government consultation response set to emerge in 2022.

To ensure regulatory continuity post-Brexit, the government introduced SAMLA to provide a legal framework through which it can impose and update sanctions following UK departure from the EU. SAMLA grants the UK government the ability to introduce statutory instruments to enable compliance with United Nations sanctions and other international obligations, and to meet defined discretionary purposes such as promoting national and international peace and security. SAMLA broadly mirrors the EU sanctions regime but enables the UK to act independently by imposing sanctions regulations swiftly without the need to reach a consensus with other EU member states. To that effect, the UK government introduced the Global Anti-Corruption Sanctions Regulation 2021 which allows the UK government to designate entities and individuals profiting from bribery and misappropriation of state funds from any country outside the UK. Separately, the Money Laundering and Transfer of Funds (Information) (Amendment) (EU Exit) Regulations 2019 were enacted to ensure that the UK's AML Regime has continued to operate effectively now that the UK has ceased to be a member of the EU.

The possibility of near-term divergence from EU law has been reduced by the FCA's Temporary Transitional Power. Under this, a standstill direction has been issued which stipulates that until 31 March 2022 and in terms of certain regulatory obligations, firms can continue to comply with the legal framework in place in the UK immediately before 31 December 2020. Financial crime legislation is covered by the standstill direction.

The US government has continued to actively apply and enforce sanctions against individuals, entities and countries. Although the Group is not a US person, US sanctions may be applicable to certain of the Group's dealings that implicate US sanctions jurisdiction (for example, dealings that involve a US person or that are conducted in US dollars). Further, the Group proactively assesses US sanctions activity to understand broader global sanctions risks. US sanctions are subject to change without warning and may affect Santander UK's ability to transact with certain individuals and entities and to operate in certain jurisdictions. For instance, primary and secondary sanctions against Iran were re-introduced in November 2018, following the US withdrawal from the Joint Comprehensive Plan of Action ("JCPOA"). In May 2021, the current US administration-initiated negotiations to rejoin the JCPOA and bring Iran back into compliance with the nuclear deal, which could result in the lifting of some US sanctions against Iran, although the outcome of those negotiations, and their effect on US sanctions against Iran, remain uncertain. The UK, EU and US also use sanctions to respond to human rights abuses and corruption and have designated persons and entities in Belarus, Russia and China for allegedly engaging in such activity. In connection with ongoing geopolitical events involving Russia and Ukraine, the US, UK and EU have adopted new, additional and/or enhanced sanctions against Russia, Belarus and certain regions of Ukraine and there may be additional changes to applicable sanctions as the situation further develops.

The banking sector in the UK continues to be subject to the Suspicious Activity Reporting (SAR) regime laid out in the Proceeds of Crime Act 2002. The regime is one of the key tools to inform law enforcement agencies and the National Crime Agency of suspicious (potentially money laundering or terrorist financing) activity. In 2018, the UK government asked the Law Commission to conduct a review of the legislation underpinning the regime. The review was completed in July 2019 and concluded that the breadth of the legal framework, including the pressure to submit SARs that is driven by individual criminal liability for failing to submit one when 'suspicious', means that the SARs regime suffers from very large reporting volumes.

The UK's SARs Reform Programme, which operates within the confines of the government's Economic Crime Plan 2019-2022, is exploring how banks could, together with government, target their joint efforts to produce and act quickly on higher value intelligence, thereby acting on some of the Law Commission's findings. A targeted Home Office consultation was issued in November 2021 and seeks to introduce legislation to (among other changes) allow certain SARs to not be submitted where money laundering risk and law enforcement interests justify doing so. Anti-corruption is expected to be a key feature of the government's approach on economic crime in the future, as well as being a topic of global focus. This follows on from the focus on anti-corruption from the US administration, as part of President Biden's "Protecting Democracy" summit on 9-10 December 2021.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers believe to be reliable. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Trustee, the Dealers and the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records or payments relating to such beneficial ownership interests.

Book-entry Systems

DTC

DTC has advised the Issuers that it is a limited purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a member of the Federal Reserve System a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants (“**Participants**”) deposit with DTC. DTC also facilitates the post trade settlement among Participants of sales and other securities transactions in deposited securities through electronic computerised book-entry changes between Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations (“**Direct Participants**”). Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has S&P’s highest rating: AAA. The DTC Rules applicable to its Direct or Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “**Rules**”), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“**DTC Notes**”) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the United States Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (“**Beneficial Owners**”) have accounts with respect to the DTC Notes are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Beneficial Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants can receive payments and transfer their interest with respect to the DTC Notes.

Purchases of DTC Notes under the DTC System must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other nominee as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings of DTC Notes on behalf of their customers.

Delivery of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes of a Series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series to be redeemed.

Neither DTC nor Cede & Co. nor such other nominee will consent or vote with respect to DTC Notes. Under its usual procedures, DTC will mail an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Direct or Indirect Participant and not of DTC or its nominee or the relevant Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC is the responsibility of the relevant Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such

payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants. The Issuers do not accept any responsibility or liability for any such payments to be made by DTC or by Direct or Indirect Participants.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Notes

The relevant Issuer will apply to DTC in order to have each Tranche of Notes represented by Rule 144A Global Notes accepted in its book-entry settlement system. Upon the issue of any Rule 144A Global Notes, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Notes to the accounts of DTC Participants. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in a Rule 144A Global Note will be held through Direct Participants or Indirect Participants of DTC, including the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Rule 144A Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Rule 144A Global Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made by the relevant Issuer to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Rule 144A Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Rule 144A Global Note to pledge such Notes to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Rule 144A Global Note to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear and Clearstream, Luxembourg and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC Participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a delivery free of payment basis and arrangements for payment must be made separately.

DTC, Euroclear and Clearstream, Luxembourg have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Euroclear or Clearstream, Luxembourg or their respective Direct or Indirect Participants or accountholders of their respective obligations under the rules and procedures governing their operations and none

of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

UK Taxation

The comments below are of a general nature and are based on the Issuers' understanding of current UK law and HM Revenue & Customs' ("HMRC") published practice as at the date of this Prospectus. They relate only to the position of persons who are the absolute beneficial owners of the Notes. They are not exhaustive. They relate only to the deduction from interest (as that term is understood for UK tax purposes) on the Notes for or on account of tax in the UK (and do not deal with any other UK tax implications of acquiring, holding or disposing of the Notes). The UK tax treatment of Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be unsure of their tax position or who may be subject to tax in a jurisdiction other than the UK should seek their own professional advice.

1. Payments of interest on Notes issued by the relevant Issuer which are "quoted Eurobonds" within the meaning of Section 987 of the Income Tax Act 2007 (the "**ITA 2007**") may be made without withholding or deduction for or on account of UK income tax by the relevant Issuer and any Paying Agents. Notes will constitute "quoted Eurobonds" provided that they carry a right to interest and they are and continue to be listed on a "recognised stock exchange" (as defined in section 1005 ITA 2007).
2. In the UK, the FCA is a competent authority and the London Stock Exchange is a recognised stock exchange. So long as this remains the case, the Notes will constitute "quoted Eurobonds" provided they carry a right to interest and are and continue to be admitted to the Official List (within the meaning of Part 6 of the Financial Services and Markets Act 2000) by the FCA and admitted to trading on the London Stock Exchange's Main Market.
3. Santander UK will be entitled to make payments of interest on the Notes without deduction of or withholding on account of UK income tax provided that:
 - (a) Santander UK is and continues to be a bank within the meaning of section 991 of the ITA 2007; and
 - (b) the interest on the Notes is and continues to be paid in the ordinary course of Santander UK's business within the meaning of section 878 ITA 2007.
4. In other cases tax may, subject to any other available exemptions or reliefs, have to be withheld from payments of interest on the Notes. Where UK tax is withheld, the rate is the "basic rate" of income tax (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the relevant Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's**

Proposal) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **“participating Member States”**). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

U.S. Taxation

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a holder of a Note that is a citizen or resident of the United States, a U.S. domestic corporation or otherwise is subject to U.S. federal income tax on a net income basis in respect of the Note (a **“U.S. holder”**). This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. This summary deals only with U.S. holders that hold Notes as capital assets. It does not address all aspects of U.S. federal income taxation that may be relevant to particular investors, and does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, insurance companies, regulated investment companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold Notes as a position in a “straddle” or conversion transaction or as part of a “synthetic security” or other integrated financial transaction, persons that actually or constructively own 10% or more of the relevant Issuer’s stock (by vote or value), U.S. expatriates, nonresident alien individuals present in the United States for more than 182 days in a taxable year, persons that hold Notes through partnerships or other pass-through entities, persons that hold Notes in bearer form or persons that have a “functional currency” other than the U.S. dollar. This summary also does not address the alternative minimum tax, the Medicare tax on net investment income or the special timing rules prescribed under section 451(b) of the U.S. Internal Revenue Code (the **“Code”**). Moreover, the summary does not address Notes with a term of over 30 years or other special tax considerations.

Investors should consult their own tax advisors in determining the tax consequences to them of holding Notes, including the application to their particular situation of the U.S. federal income tax

considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Characterization of the Dated Subordinated Notes and certain Senior Notes

No statutory, judicial or administrative authority directly addresses the characterization of the Dated Subordinated Notes or Senior Notes of Santander UK Group Holdings, or instruments similar to such Notes for U.S. federal income tax purposes. As a result, significant aspects of the U.S. tax consequences of an investment in the Notes are uncertain. Santander UK Group Holdings expects, however, absent a change in law and depending on the precise terms of any issuance, that it is more likely than not that the Dated Subordinated Notes will be treated as debt instruments for U.S. federal income tax purposes, and that any Senior Notes of Santander UK Group Holdings should be treated as debt instruments for U.S. federal income tax purposes.

The relevant Issuer will indicate in the applicable Final Terms or Pricing Supplement for any Rule 144A Notes the relevant Issuer's intended characterization of the Notes for U.S. federal income tax purposes. In general, under the Code, the characterization of an instrument for U.S. tax purposes as debt or equity of a corporation by its issuer as of the time of issuance is binding on a holder unless the holder discloses on its tax return that it is taking an inconsistent position. The relevant Issuer's characterization, however, is not binding on the IRS. The following discussion assumes that the Dated Subordinated Notes will be treated as debt instruments for U.S. federal income tax purposes.

Payments of interest

Payments of "qualified stated interest" (as defined below under "*Original issue discount*") on a Note will be taxable to a U.S. holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the U.S. holder's method of tax accounting). If such payments of interest are made with respect to a Note denominated in a currency other than the U.S. dollar (a "**Foreign Currency Note**"), the amount of interest income realized by a U.S. holder that uses the cash method of tax accounting will be the U.S. dollar value of the foreign currency payment based on the exchange rate in effect on the date of receipt regardless of whether the payment in fact is converted into U.S. dollars on such date. An accrual method holder will accrue interest income on the Note in the relevant foreign currency and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the U.S. holder's taxable year), or, at the accrual method holder's election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. An accrual method U.S. holder that makes such election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the U.S. Internal Revenue Service (the "**IRS**"). An accrual method holder will recognize foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a Foreign Currency Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss but generally will not be treated as an adjustment to interest income received on the Note.

If UK taxes are required to be paid with respect to such payments of interest, such taxes paid at the appropriate rate applicable to the U.S. holder will be treated as foreign income taxes eligible for credit against such U.S. holder's U.S. federal income tax liability, subject to generally applicable limitations and conditions, or, at the election of such U.S. holder, for deduction in computing such U.S. holder's taxable income (provided that the U.S. holder elects to deduct, rather than credit, all foreign income taxes paid or accrued for the relevant taxable year). Interest and additional amounts (if any) will constitute income from sources without the United States for U.S. foreign tax credit purposes. The calculation of foreign tax credits and, in the case of a U.S. holder that elects to deduct foreign taxes, the availability of deductions, involves the application of rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their own tax advisors regarding the availability of foreign tax credits and the treatment of additional amounts (if any).

Purchase, sale and retirement of Notes

A U.S. holder's tax basis in a Note generally will equal the cost of such Note to such U.S. holder, increased by any amount includible in income by the U.S. holder as original issue discount or market discount and reduced by any amortized premium (each as described below) and any payments other than payments of qualified stated interest made on such Note. In the case of a Foreign Currency Note, the cost of such Note to a U.S. holder will be the U.S. dollar value of the foreign currency purchase price on the date of purchase. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis U.S. holder (and, if it so elects, an accrual method holder) will determine the U.S. dollar value of such Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. The amount of any subsequent adjustments to a U.S. holder's tax basis in a Note in respect of original issue discount, market discount, and premium denominated in a foreign currency will be determined in the manner described under "*Original issue discount*" and "*Premium and market discount*" below. The conversion of U.S. dollars to the relevant foreign currency and the immediate use of the foreign currency to purchase such a Note generally will not result in taxable gain or loss for a U.S. holder.

Upon the sale, exchange or retirement of a Note, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as such) and the U.S. holder's tax basis in such Note. If a U.S. holder receives a currency other than the U.S. dollar in respect of the sale, exchange or retirement of a Note, the amount realized will be the U.S. dollar value of the foreign currency received calculated at the exchange rate in effect on the date the Note is sold, exchanged or retired. In the case of a Foreign Currency Note that is traded on an established securities market, a cash basis U.S. holder (and, if it so elects, an accrual method holder) will determine the U.S. dollar value of the amount realized by translating such amount at the spot rate on the settlement date of the sale. The election available to accrual method holders in respect of the purchase and sale of Foreign Currency Notes that are traded on an established securities market, discussed above, must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to market discount, Short-Term Notes (as defined below) and foreign currency gain or loss, gain or loss recognized by a U.S. holder generally will be long-term capital gain or loss if the U.S. holder has held the Note for more than one year at the time of disposition. Long-term capital gains recognized by an individual U.S. holder

generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The ability of U.S. holders to offset capital losses against ordinary income is limited.

Gain or loss recognized by a U.S. holder on the sale, exchange or retirement of a Foreign Currency Note generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the U.S. holder held such Note. This foreign currency gain or loss will not be treated as an adjustment to interest income received on the Notes.

Capital gain or loss recognized by a U.S. holder generally will be U.S.-source gain or loss. Consequently, if any such gain is subject to foreign tax, a U.S. Holder may not be able to credit the tax against its U.S. federal income tax liability unless the credit can be applied (subject to the applicable limitations) against tax due on other income treated as derived from foreign sources. U.S. Holders should consult their own tax advisors as to the foreign tax credit implications of a disposition of the Notes.

Write-down by the relevant UK resolution authority on the exercise of a UK bail-in power

As discussed above in the risk factor entitled "*The Group may become subject to the provisions of the Banking Act 2009, including bail-in and write down powers*", the relevant UK resolution authority may take certain actions in respect of the Notes, including the write-down and cancellation of some or all of the principal and/or accrued interest on the Notes. No statutory, judicial or administrative authority directly addresses the U.S. federal income tax treatment of such a write-down, including whether a U.S. holder would be entitled to a deduction for loss at the time it occurs. U.S. holders may, for example, be required to wait to take a deduction until there is an actual or deemed sale, exchange or other taxable disposition of the remaining Notes for which recognition of losses is permitted under the Code. U.S. holders of Notes should consult their own tax advisers regarding the tax consequences to them of a write-down of their Notes by the relevant UK resolution authority.

Original issue discount

If the relevant Issuer issues Notes at a discount from their stated redemption price at maturity (as defined below), and the discount is equal to or more than the product of one-fourth of one per cent. (0.25%) of the stated redemption price at maturity of the Notes multiplied by the number of full years to their maturity (the "**de minimis threshold**"), the Notes will be "**Original Issue Discount Notes**." The difference between the issue price and the stated redemption price at maturity of the Notes will be the "original issue discount." The "issue price" of the Notes will be the first price at which a substantial amount of the Notes are sold to the public (that is, excluding sales of Notes to underwriters, placement agents, wholesalers or similar persons). The "stated redemption price at maturity" will include all payments under the Notes other than payments of qualified stated interest. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments issued by the relevant Issuer) at least annually during the entire term of a Note at a single fixed interest rate or, subject to certain conditions, based on one or more interest indices.

U.S. holders of Original Issue Discount Notes generally will be subject to the special tax accounting rules for obligations issued with original issue discount ("**OID**") provided by the Code, and certain U.S. Treasury regulations promulgated thereunder (the "**OID Regulations**").

U.S. holders of Original Issue Discount Notes should be aware that, as described in greater detail below, they generally must include OID in ordinary gross income for U.S. federal income tax purposes as it accrues, in advance of the receipt of cash attributable to that income.

In general, each U.S. holder of an Original Issue Discount Note, whether such holder uses the cash or the accrual method of tax accounting, will be required to include in ordinary gross income the sum of the “daily portions” of OID on the Note for all days during the taxable year that the U.S. holder owns the Note. The daily portions of OID on an Original Issue Discount Note are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be any length and may vary in length over the term of an Original Issue Discount Note, provided that no accrual period is longer than one year and each scheduled payment of principal or interest occurs on either the final day or the first day of an accrual period. In the case of an initial holder, the amount of OID on an Original Issue Discount Note allocable to each accrual period is determined by (a) multiplying the “adjusted issue price” (as defined below) of the Original Issue Discount Note at the beginning of the accrual period by the yield to maturity of such Original Issue Discount Note (appropriately adjusted to reflect the length of the accrual period) and (b) subtracting from that product the amount (if any) of qualified stated interest allocable to that accrual period. The yield to maturity of a Note is the discount rate that causes the present value of all payments on the Note as of its original issue date to equal the issue price of such Note. The “adjusted issue price” of an Original Issue Discount Note at the beginning of any accrual period will generally be the sum of its issue price (generally including accrued interest, if any) and the amount of OID allocable to all prior accrual periods, reduced by the amount of all payments other than payments of qualified stated interest (if any) made with respect to such Note in all prior accrual periods. In the case of an Original Issue Discount Note that is a Floating Rate Note, both the “yield to maturity” and “qualified stated interest” will generally be determined for these purposes as though the Original Issue Discount Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to the interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield that is reasonably expected for the Note. (Additional rules may apply if interest on a Floating Rate Note is based on more than one interest index.) As a result of this “constant yield” method of including OID in income, the amounts includible in income by a U.S. holder in respect of an Original Issue Discount Note denominated in U.S. dollars generally are lesser in the early years and greater in the later years than the amounts that would be includible on a straight-line basis.

A U.S. holder generally may make an irrevocable election to include in its income its entire return on a Note (that is, the excess of all remaining payments to be received on the Note, including payments of qualified stated interest, over the amount paid by such U.S. holder for such Note) under the constant-yield method described above. For Notes purchased at a premium or bearing market discount in the hands of the U.S. holder, the U.S. holder making such election will also be deemed to have made the election (discussed below in “*Premium and market discount*”) to amortize premium or to accrue market discount in income currently on a constant-yield basis.

In the case of an Original Issue Discount Note that is also a Foreign Currency Note, a U.S. holder should determine the U.S. dollar amount includible in income as OID for each accrual period by (a) calculating the amount of OID allocable to each accrual period in the relevant foreign currency using the constant-yield method described above, and (b) translating the amount of the foreign currency so derived at the average exchange rate in effect during that

accrual period (or portion thereof within a U.S. holder's taxable year) or, at the U.S. holder's election (as described above under "*Payments of interest*"), at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within such accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if such date is within five business days of the last day of the accrual period. Because exchange rates may fluctuate, a U.S. holder of an Original Issue Discount Note that is also a Foreign Currency Note may recognize a different amount of OID income in each accrual period than would the holder of an otherwise similar Original Issue Discount Note denominated in U.S. dollars. All payments on an Original Issue Discount Note (other than payments of qualified stated interest) will generally be viewed first as payments of previously accrued OID (to the extent thereof), with payments attributed first to the earliest-accrued OID, and then as payments of principal. Upon the receipt of an amount attributable to OID (whether in connection with a payment of an amount that is not qualified stated interest or the sale or retirement of the Original Issue Discount Note), a U.S. holder will recognize ordinary income or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate in effect on the date of receipt or on the date of disposition of the Original Issue Discount Note, as the case may be) and the amount accrued (using the exchange rate applicable to such previous accrual).

A subsequent U.S. holder of an Original Issue Discount Note that purchases the Note at a cost less than its remaining redemption amount (as defined below), or an initial U.S. holder that purchases an Original Issue Discount Note at a price other than the Note's issue price, also generally will be required to include in gross income the daily portions of OID, calculated as described above. However, if the U.S. holder acquires the Original Issue Discount Note at a price greater than its adjusted issue price, such U.S. holder is required to reduce its periodic inclusions of OID income to reflect the premium paid over the adjusted issue price. The "remaining redemption amount" for a Note is the total of all future payments to be made on the Note other than payments of qualified stated interest.

Floating Rate Notes generally will be treated as "variable rate debt instruments" under the OID Regulations. Accordingly, the stated interest on a Floating Rate Note generally will be treated as qualified stated interest and such a Note will not have OID solely as a result of the fact that it provides for interest at a variable rate. If a Floating Rate Note does not qualify as a "variable rate debt instrument", such Note will be subject to special rules (the "**Contingent Payment Regulations**") that govern the tax treatment of debt obligations that provide for contingent payments. See "*Notes providing for contingent payments*" and "*Foreign Currency CPDI Notes*" below.

If a Note provides for a scheduled accrual period that is longer than one year (for example, as a result of a long initial period on a debt security with interest that is generally paid on an annual basis), then stated interest on the debt security will not qualify as "qualified stated interest" under the applicable Treasury Regulations. As a result, the debt security would be an Original Issue Discount Note. In that event, among other things, cash-method U.S. holders will be required to accrue stated interest on the Note under the rules for OID described above, and all U.S. holders will be required to accrue OID that would otherwise fall under the de minimis threshold.

The relevant Issuer will indicate in the applicable Final Terms or Pricing Supplement whether any Notes are issued with OID. Certain of the Notes may be subject to special redemption,

repayment or interest rate reset features, as indicated in the applicable Pricing Supplement. Notes containing such features, in particular Original Issue Discount Notes, may be subject to special rules that differ from the general rules discussed above. Purchasers of Notes with such features should carefully examine the applicable Pricing Supplement and should consult their own tax advisors with respect to the Notes since the tax consequences with respect to such features, and especially with respect to OID, will depend, in part, on the particular terms of the Notes.

Premium and market discount

A U.S. holder of a Note that purchases the Note at a cost greater than its remaining redemption amount will be considered to have purchased the Note at a premium, and may elect to amortize such premium (as an offset to interest income), using a constant-yield method, over the remaining term of the Note. Such election, once made, generally applies to all bonds held or subsequently acquired by the U.S. holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A U.S. holder that elects to amortize such premium must reduce its tax basis in a Note by the amount of the premium amortized during its holding period. Original Issue Discount Notes purchased at a premium will not be subject to the OID rules described above. In the case of premium in respect of a Foreign Currency Note, a U.S. holder should calculate the amortization of such premium in the specified currency. Amortization deductions attributable to a period reduce interest payments in respect of that period and therefore are translated into U.S. dollars at the exchange rate used by the U.S. holder for such interest payments. Exchange gain or loss will be realized with respect to amortized bond premium on such a Note based on the difference between the exchange rate on the date or dates such premium is recovered through interest payments on the Note and the exchange rate on the date on which the U.S. holder acquired the Note. With respect to a U.S. holder that does not elect to amortize bond premium, the amount of bond premium will be included in the U.S. holder's tax basis when the Note matures or is disposed of by the U.S. holder. Therefore, a U.S. holder that does not elect to amortize such premium and that holds the Note to maturity generally will be required to treat the premium as capital loss when the Note matures.

If a U.S. holder of a Note purchases the Note at a price that is lower than its remaining redemption amount, or in the case of an Original Issue Discount Note, its adjusted issue price, by at least 0.25% of its remaining redemption amount multiplied by the number of remaining whole years to maturity, the Note will be considered to have "market discount" in the hands of such U.S. holder. In such case, gain realized by the U.S. holder on the disposition of the Note generally will be treated as ordinary income to the extent of the market discount that accrued on the Note while held by such U.S. holder. In addition, the U.S. holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the Note. In general terms, market discount on a Note will be treated as accruing ratably over the term of such Note, or, at the election of the holder, under a constant-yield method. Market discount on a Foreign Currency Note will be accrued by a U.S. holder in the relevant foreign currency. The amount includible in income by a U.S. holder in respect of such accrued market discount will be the U.S. dollar value of the amount accrued, generally calculated at the exchange rate in effect on the date that the Note is disposed of by the U.S. holder.

A U.S. holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis), in lieu of treating a portion of any gain realized on a sale of a Note as ordinary income. If a U.S. holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any accrued market discount on a Foreign Currency Note that is currently includible in income will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. holder's taxable year). Any such election, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

Short-Term Notes

The rules set forth above will also generally apply to Notes having maturities of not more than one year ("**Short-Term Notes**"), but with certain modifications.

First, the OID Regulations treat none of the interest on a Short-Term Note as qualified stated interest. Thus, all Short-Term Notes will be Original Issue Discount Notes. OID will be treated as accruing on a Short-Term Note ratably, or at the election of a U.S. holder, under a constant yield method.

Second, a U.S. holder of a Short-Term Note that uses the cash method of tax accounting and is not a bank, securities dealer, regulated investment company or common trust fund, and does not identify the Short-Term Note as part of a hedging transaction, will generally not be required to include OID in income on a current basis. Such a U.S. holder may not be allowed to deduct all of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry such Note until the maturity of the Note or its earlier disposition in a taxable transaction. In addition, such a U.S. holder will be required to treat any gain realized on a sale, exchange or retirement of the Note as ordinary income to the extent such gain does not exceed the OID accrued with respect to the Note during the period the U.S. holder held the Note. Notwithstanding the foregoing, a cash-basis U.S. holder of a Short-Term Note may elect to accrue OID into income on a current basis or to accrue the "acquisition discount" on the Note under the rules described below. If the U.S. holder elects to accrue OID or acquisition discount, the limitation on the deductibility of interest described above will not apply.

A U.S. holder using the accrual method of tax accounting and certain cash-basis U.S. holders (including banks, securities dealers, regulated investment companies and common trust funds) generally will be required to include original issue discount on a Short-Term Note in income on a current basis. Alternatively, a U.S. holder of a Short-Term Note can elect to accrue the "acquisition discount", if any, with respect to the Note on a current basis. If such an election is made, the OID rules will not apply to the Note. Acquisition discount is the excess of the Short-Term Note's stated redemption price at maturity (that is, all amounts payable on the Short-Term Note) over the purchase price. Acquisition discount will be treated as accruing ratably or, at the election of the U.S. holder, under a constant-yield method based on daily compounding.

Finally, the market discount rules will not apply to a Short-Term Note.

Notes providing for contingent payments

Fixed Rate Reset Notes, Convertible Interest Basis Notes, Floating Rate Notes that do not qualify as “variable rate debt instruments”, and any other Notes that provide for contingent payments (including pursuant to an Issuer Call option) may (depending on their terms) be treated as contingent payment debt instruments for U.S. federal income tax purposes (any Notes that are contingent payment debt instruments, “**CPDI Notes**”). CPDI Notes will be subject to the OID Regulations and a U.S. holder will be required to accrue income on the CPDI Notes as set forth below, provided that the Note has a term of more than one year and does not provide for payments in a foreign currency or determined by reference to a foreign currency or any debt obligation denominated in a foreign currency. For CPDI Notes denominated in a foreign currency, see below under “*Foreign Currency CPDI Notes*”.

At the time the CPDI Notes are issued, the relevant Issuer will be required to determine a “comparable yield” for the CPDI Notes that takes into account the yield at which the relevant Issuer could issue a fixed rate debt instrument with terms similar to those of the CPDI Notes (including the level of subordination, term, timing of payments and general market conditions, but excluding any adjustments for liquidity or the riskiness of the contingencies with respect to the CPDI Notes). The comparable yield may be greater than or less than the stated interest rate, if any, with respect to the CPDI Notes.

Solely for purposes of determining the amount of interest income that a U.S. holder will be required to accrue, the relevant Issuer will be required to construct a “projected payment schedule” in respect of the CPDI Notes representing a series of payments the amount and timing of which would produce a yield to maturity on the CPDI Notes equal to the comparable yield. NEITHER THE COMPARABLE YIELD NOR THE PROJECTED PAYMENT SCHEDULE CONSTITUTES A REPRESENTATION BY THE RELEVANT ISSUER REGARDING THE ACTUAL AMOUNT THAT THE CPDI NOTES WILL PAY. For U.S. federal income tax purposes, a U.S. holder is required to use the comparable yield and the projected payment schedule established by the relevant Issuer in determining interest accruals and adjustments in respect of a CPDI Note, unless such U.S. holder timely discloses and justifies the use of other accruals and adjustments to the IRS.

Based on the comparable yield and the issue price of the CPDI Notes, a U.S. holder of a CPDI Note (regardless of accounting method) will be required to accrue as OID the sum of the daily portions of interest on the CPDI Note for each day in the taxable year on which the holder held the CPDI Note, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the CPDI Note (as set forth below). The daily portions of interest in respect of a CPDI Note are determined by allocating to each day in an accrual period the taxable portion of interest on the CPDI Note that accrues in the accrual period. The amount of interest on a CPDI Note that accrues in an accrual period is the product of the comparable yield on the CPDI Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of a CPDI Note. The adjusted issue price of a CPDI Note at the beginning of the first accrual period will equal its issue price and for any accrual period thereafter will be (x) the sum of the issue price of such CPDI Note and any interest previously accrued thereon by a holder (disregarding any positive or negative adjustments) minus (y) the amount of any projected payments on the CPDI Note for previous accrual periods.

A U.S. holder will be required to recognize interest income equal to the amount of any positive adjustment (*i.e.*, the excess of actual payments over projected payments) in respect of a CPDI Note for a taxable year. A negative adjustment (*i.e.*, the excess of projected payments over actual payments) in respect of a CPDI Note for a taxable year (i) will first reduce the amount of interest in respect of the CPDI Note that a U.S. holder would otherwise be required to include in income in the taxable year and (ii) to the extent that the negative adjustment exceeds the amount described in (i), will give rise to an ordinary loss, up to the amount by which the holder's total interest inclusions on the debt instrument in prior taxable years exceed the total amount of the holder's net negative adjustments treated as ordinary loss on the debt instrument in prior taxable years. Deductions in respect of a net negative adjustment may be subject to limitations under the Code. Any negative adjustment in excess of the amounts described above in (i) and (ii) will be carried forward to offset future interest income in respect of the CPDI Note or to reduce the amount realized on a sale, exchange or retirement of the CPDI Note.

If a U.S. holder purchases a CPDI Note for an amount that differs from its adjusted issue price, the general rules discussed above under "*Premium and market discount*" will not apply. Instead, the U.S. holder must reasonably determine the extent to which the difference between the price the holder paid for the CPDI Note and its adjusted issue price is attributable to a change in expectations as to the projected contingent payments, a change in interest rates, or both, and make certain adjustments. U.S. holders should consult their tax advisors regarding these adjustments.

Upon a sale, exchange or retirement of a CPDI Note (including a repurchase or redemption of the CPDI Note at the option of the relevant Issuer or the holder), a U.S. holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and such holder's tax basis in the CPDI Note. A U.S. holder's tax basis in a CPDI Note will equal the cost thereof, increased by the amount of interest income previously accrued by the holder in respect of the CPDI Note (disregarding any positive or negative adjustment) and decreased by the amount of all prior projected payments in respect of the CPDI Note. A U.S. holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions over the total negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. If there are no remaining contingent payments under the projected payment schedule at the time of the sale, exchange or retirement of the CPDI Note, any gain or loss recognized by the holder generally will be capital gain or loss.

The tax consequences to a U.S. holder of a Short-Term Note that provides for contingent payments are not clear. Under the special rules applicable to Short-Term Notes, a U.S. holder using an accrual method of accounting generally is required to accrue OID with respect to a Note, as described above. However, the rules applicable to Short-Term Notes do not address how to accrue income with respect to a future contingent payment. Moreover, the Contingent Payment Regulations that require U.S. holders to accrue interest income regardless of their method of accounting do not apply to Short-Term Notes. Taxpayers using an accrual method of accounting generally are not required to include amounts in income until all the events have occurred that fix the right to receive the income and the amount of the income can be determined with reasonable accuracy. Accordingly, although no assurances can be provided in this regard, it appears that in the case of contingent payment Short-Term Notes, a U.S. holder using the accrual method of accounting should not be required to include amounts in income prior to the date on which the amount of such payment becomes fixed, while a U.S. holder using

the cash method of accounting generally should include such amounts in income at the time that such payment is received.

The relevant Issuer will indicate in the applicable Final Terms or Pricing Supplement whether any Fixed Rate Reset Notes, Convertible Interest Basis Notes, Floating Rate Notes or any other Notes that provide for contingent payments are CPDI Notes. If the Final Terms or Pricing Supplement indicate that any Notes are CPDI Notes, please contact Nigel Smith (Senior Functional Specialist) at Santander UK Plc, 2 Triton Square, Regent's Place, London NW1 3AN (Direct Tel: +44 (0) 800 389 7000) to obtain the comparable yield and projected payment schedule for the Notes.

Foreign Currency CPDI Notes

Special rules apply to debt instruments held by U.S. persons that would be subject to the CPDI rules but for the fact that payments are denominated in, or determined by reference to, a currency other than the U.S. dollar (such notes, "**Foreign Currency CPDI Notes**"). The general method applicable under the Contingent Payment Regulations is applied, with the calculations (including the determination of the comparable yield) performed in the currency in which the instrument is denominated. The amount of interest accrued for each period then generally is translated into U.S. dollars at the average exchange rate for the period. Positive adjustments generally are translated at the spot rate on the last day of the relevant period. Negative adjustments are translated either at the rate used to translate the interest income that the adjustment offsets or the spot rate on the date that the instrument was issued or acquired.

Foreign currency gain or loss (that is, gain or loss attributable to fluctuations in the value of the foreign currency) will not be recognized with respect to a net positive or negative adjustment. Foreign currency gain or loss with respect to accrued interest will be (1) the amount of interest paid, translated into U.S. dollars at the spot rate on the date of payment, minus (2) the amount of interest paid, translated into U.S. dollars at the spot rate on the date the interest was accrued. Foreign currency gain or loss with respect to payments of principal will equal (1) the amount of principal paid, translated into U.S. dollars at the spot rate on the date of payment, minus (2) the amount of principal paid, translated into U.S. dollars at the spot rate on the date the Note was issued (or, if later, acquired). Complex ordering rules apply to determine whether a particular payment with respect to a Foreign Currency CPDI Note represents interest or principal and U.S. holders should consult their tax advisors regarding the application of these rules.

Foreign Account Tax Compliance Act

As a result of Sections 1471 through 1474 of the Code and related Treasury regulations (collectively, "**FATCA**") and related intergovernmental agreements, investors in the Notes may be required to provide information and tax documentation regarding their tax identities as well as that of their direct and indirect owners. It is also possible that payments on Notes may be subject to a withholding tax of 30% in the future, subject to the grandfather rule described below. The relevant Issuer will not pay additional amounts on account of any withholding tax imposed by FATCA.

The United States and the UK have entered into an agreement for the implementation of FATCA (the "**U.S.-UK IGA**"). Pursuant to the U.S.-UK IGA (as defined above) and applicable UK regulations implementing the U.S.-UK IGA, the relevant Issuer may be required to comply with

certain reporting requirements. Investors in the Notes may therefore be required to provide information and tax documentation regarding their identities as well as that of their direct and indirect owners and this information may be reported to the Commissioners for Her Majesty's Revenue & Customs, any relevant taxing authorities, and ultimately to the IRS. Assuming the Notes are treated as debt for U.S. federal income tax purposes and are not materially modified after the applicable "grandfathering date", payments on the Notes will not be subject to FATCA withholding. The applicable "grandfathering date" is the date that is six months after the date on which final United States Treasury regulations defining the term "foreign passthru payment" are published generally by the Federal Register.

FATCA is particularly complex. Each prospective investor should consult its own tax adviser to obtain a more detailed explanation of FATCA and to learn how this legislation might affect such investor in its particular circumstances.

Information reporting and backup withholding

Information returns will be filed with the IRS in connection with payments on the Notes made to, and the proceeds of dispositions of Notes effected by, certain U.S. taxpayers. In addition, certain U.S. taxpayers may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments. Non-U.S. taxpayers may be required to comply with applicable certification procedures to establish that they are not U.S. taxpayers in order to avoid the application of such information reporting requirements and backup withholding. The amount of any backup withholding from a payment to a U.S. or non-U.S. taxpayer will be allowed as a credit against the holder's U.S. federal income tax liability, if any, and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS. ***Foreign financial asset reporting***

Certain U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of U.S.\$50,000 on the last day of the taxable year or U.S.\$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Persons considering the purchase of Notes are encouraged to consult with their own tax advisors regarding the possible application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

Reportable transactions

A U.S. taxpayer that participates in a "reportable transaction" is required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. Under the relevant rules, a U.S. holder may be required to treat a foreign currency exchange loss from

Foreign Currency Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations (U.S.\$50,000 in a single taxable year, if the U.S. holder is an individual or trust, or higher amounts for other non-individual U.S. holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty not to exceed U.S.\$10,000 in the case of a natural person and U.S.\$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisors regarding the application of these rules.

PROSPECTIVE NOTEHOLDERS WHO ARE IN ANY DOUBT AS TO THEIR TAX POSITION OR WHO MAY BE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE UK OR THE UNITED STATES SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have in a programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, the “**Programme Agreement**”) dated 29 April 2022 agreed with the relevant Issuer a basis upon which the relevant Issuer may from time to time agree to issue Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the relevant Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In connection with the issue of any Tranche of Notes, one or more relevant Dealers acting as Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Selling Restrictions

United States

Each Dealer has acknowledged, and each further Dealer appointed under the Programme Agreement will be required to acknowledge, that the Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or other relevant jurisdiction within the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder. The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has agreed, and each further Dealer appointed under the Programme Agreement will be required to agree, that except as permitted by the Programme Agreement, it has not offered, sold or delivered Notes and it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the relevant Tranche, within the United States or to, or for the account or benefit of U.S.

persons and only in accordance with Rule 903 of Regulation S or, if applicable, Rule 144A under the Securities Act and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it during the distribution compliance period a confirmation or notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons.

The Notes are being offered and sold only (a) outside the United States to persons other than U.S. persons ("**foreign purchasers**", which term includes dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners, other than an estate or trust) in reliance upon Regulation S and (b) to a limited number of QIBs in compliance with Rule 144A.

Terms used in this section of "*Selling Restrictions*" have the meanings given to them by Regulation S.

In addition, until 40 days after the completion of the distribution of all Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless made pursuant to Rule 144A or another exemption from the registration requirements of the Securities Act.

Each purchaser of Notes will be deemed to have represented and agreed as follows:

- (1) It is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is either (A) a QIB and is aware that the sale to it is being made in reliance on Rule 144A, or (B) a foreign purchaser that is outside the United States (or a foreign purchaser that is a dealer or other fiduciary as referred to above).
- (2) It acknowledges that the Notes have not been registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.
- (3) It agrees that the relevant Issuer has no obligation to register the Notes under the Securities Act.
- (4) It will not resell, pledge or otherwise transfer any Notes except (A) in accordance with Rule 144A to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB, (B) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (C) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (D) pursuant to an effective registration statement under the Securities Act in each case, in accordance with all applicable U.S. State securities laws.
- (5) It will give to each person to whom it transfers Notes notice of any restrictions on transfer of those Notes.

- (6) It acknowledges that transfers by the holder of, or of a beneficial interest in, a Rule 144A Note to a transferee taking delivery of such interest through a Regulation S Note; or, prior to the expiry of the Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Note to a transferee taking delivery of such interest through a Rule 144A Note are conditioned on the requirement that the transferor provide the Registrar and the Transfer Agent with a written certification (the form of which certification can be obtained from the Trustee) as to compliance with the transfer restrictions referred to above.
- (7) It understands that the Notes will bear the legends in the forms set out below.
- (8) It acknowledges that the relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Each Rule 144A Note will bear a legend to the following effect:

"THE NOTES REPRESENTED BY THIS [GLOBAL][DEFINITIVE] NOTE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND, MAY BE TRANSFERRED ONLY PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AS SET FORTH BELOW.

[THE HOLDER HEREOF - include for Rule 144A Global Notes][THE REGISTERED OWNER HEREOF - include for definitive notes], BY PURCHASING OR OTHERWISE ACQUIRING THE NOTES IN RESPECT OF WHICH THIS [GLOBAL][DEFINITIVE] NOTE IS ISSUED [(OR ANY BENEFICIAL INTEREST OR PARTICIPATION HEREIN) ON ITS OWN BEHALF AND ON BEHALF OF ANY ACCOUNT FOR WHICH IT IS PURCHASING THIS GLOBAL NOTE OR ANY BENEFICIAL INTEREST OR PARTICIPATION HEREIN - include for Rule 144A Global Notes], (1) REPRESENTS FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO SUCH NOTES THAT IT IS THE SOLE BENEFICIAL OWNER OF THE NOTES REPRESENTED HEREBY OR IS PURCHASING SUCH NOTES FOR ONE OR MORE ACCOUNTS MAINTAINED BY IT OR OVER WHICH IT EXERCISES SOLE INVESTMENT DISCRETION AND THAT EITHER (A) IT AND ANY SUCH ACCOUNT ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S OF THE SECURITIES ACT) AND ARE NOT PURCHASING SUCH NOTES FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, OR (B) IT AND ANY SUCH ACCOUNT ARE (OR ARE HOLDING SUCH NOTES FOR THE BENEFIT OF) QUALIFIED INSTITUTIONAL BUYERS ("QIBS") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), (2) ACKNOWLEDGES THAT SUCH NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD, RESOLD OR DELIVERED IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM THE SECURITIES ACT IN ACCORDANCE WITH THE TERMS HEREOF, (3) AGREES TO NOTIFY ANY SUBSEQUENT TRANSFEREE OF THE TRANSFER

RESTRICTIONS SET OUT HEREIN AND THAT IT WILL BE A CONDITION TO SUCH TRANSFER THAT THE TRANSFEREE WILL BE DEEMED TO MAKE THE REPRESENTATIONS SET OUT HEREIN, AND (4) AGREES, FOR THE BENEFIT OF THE ISSUER, THAT SUCH NOTES MAY ONLY BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED (A) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S UNDER THE SECURITIES ACT, OR (B) TO A PERSON WHO THE SELLER REASONABLY BELIEVES TO BE A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT; PROVIDED THAT, IN THE CASE OF A TRANSFER PURSUANT TO CLAUSE (A), A TRANSFEROR OF THE NOTES WILL BE REQUIRED [(1)] TO EXECUTE AND DELIVER TO THE ISSUER AND THE REGISTRAR AND THE TRANSFER AGENT A TRANSFER CERTIFICATE (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND CAN BE OBTAINED FROM THE REGISTRAR AND THE TRANSFER AGENT), [AND (2) TO EXCHANGE THE PORTION OF THIS GLOBAL NOTE TO BE SO TRANSFERRED FOR AN INTEREST IN A REGULATION S GLOBAL NOTE OR A DEFINITIVE NOTE TO BE REGISTERED IN THE NAME OF THE TRANSFEREE - include for Rule 144A Global Notes].

PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

EACH HOLDER OF THIS [GLOBAL][DEFINITIVE] NOTE [OR AN INTEREST HEREIN - include for Rule 144A Global Notes] AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE [OR AN INTEREST HEREIN - include for Rule 144A Global Notes] IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR THE PURPOSES HEREOF, "OFFSHORE TRANSACTION" AND "U.S. PERSON" SHALL HAVE THE MEANINGS GIVEN TO THEM IN RULE 902 OF REGULATION S UNDER THE SECURITIES ACT."

Each Regulation S Note will bear a legend to the following effect:

"THE NOTES REPRESENTED BY THIS [GLOBAL][DEFINITIVE] NOTE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. [THE OFFER, SALE, PLEDGE OR TRANSFER OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE IS SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS. - include for Regulation S Global Notes] [BY PURCHASING OR OTHERWISE ACQUIRING THE NOTES REPRESENTED BY THIS GLOBAL NOTE, THE HOLDER - include for Regulation S Global Notes][THE OWNER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS DEFINITIVE NOTE IS ISSUED, - include for definitive notes] AGREES FOR THE BENEFIT OF THE ISSUER THAT, IF IT SHOULD DECIDE TO DISPOSE OF THE NOTES REPRESENTED BY THIS NOTE PRIOR TO THE DATE WHICH IS 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF THE NOTES REPRESENTED BY THIS [GLOBAL][DEFINITIVE] NOTE, THE NOTES REPRESENTED BY THIS [GLOBAL][DEFINITIVE] NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED OR DELIVERED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND

ONLY (A) TO PERSONS WHOM THE SELLER REASONABLY BELIEVES TO BE QUALIFIED INSTITUTIONAL BUYERS (“QIBS”), AS DEFINED IN RULE 144A (“RULE 144A”) UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OR (B) OTHERWISE TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT; PROVIDED THAT, IN THE CASE OF A TRANSFER PURSUANT TO CLAUSE (A), A TRANSFEROR OF THE NOTES WILL BE REQUIRED [(1)] TO EXECUTE AND DELIVER TO THE ISSUER AND THE REGISTRAR AND THE TRANSFER AGENT A TRANSFER CERTIFICATE (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND CAN BE OBTAINED FROM THE REGISTRAR AND THE TRANSFER AGENT), [AND (2) TO EXCHANGE THE PORTION OF THIS GLOBAL NOTE TO BE SO TRANSFERRED FOR AN INTEREST IN A RULE 144A GLOBAL NOTE OR A DEFINITIVE NOTE TO BE REGISTERED IN THE NAME OF THE TRANSFEREE - include for Regulation S Global Notes].

EACH HOLDER OF THIS NOTE OR AN INTEREST HEREIN AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR THE PURPOSES HEREOF, “OFFSHORE TRANSACTION” AND “U.S. PERSON” HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATIONS UNDER THE SECURITIES ACT.”

In the case of a Registered Global Note registered in the name of Cede & Co. as nominee (or another nominee) of The Depository Trust Company, the following paragraph shall also appear in the legend:

“UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUIRED BY ANY AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.”

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or, in the case of Exempt Notes, the Pricing Supplement) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation (where “**Prospectus Regulation**” means Regulation (EU) 2017/1129); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

United Kingdom

Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or, in the case of Exempt Notes, the Pricing Supplement) in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation (where “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA); and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of FSMA does not, or in the case of Santander UK would not if it were not an authorised person, apply to the relevant Issuer; and

- (b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of the Commonwealth of Australia (the “**Corporations Act**”)) in relation to the Programme or the Notes has been, or will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (unless the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) or another supplement to this Prospectus otherwise provides) it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not made or invited, and will not make or invite, applications for issue, or offers to purchase, the Notes in or to the Commonwealth of Australia (including an offer or invitation which is received by a person in the Commonwealth of Australia); and
- (b) has not distributed or published, and will not distribute or publish, this Prospectus or any other offering material or advertisement relating to any Notes in the Commonwealth of Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, in either case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- (ii) the offer or invitation is not made to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “**FIEA**”) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a

resident of Japan except pursuant to an exemption from the registration requirements of and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

1. it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning that Ordinance; and
2. it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) pursuant to Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Unless otherwise stated in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), all Notes shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Canada

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) the sale and delivery of any Notes to any purchaser who is a resident of Canada or otherwise subject to the laws of Canada or who is purchasing for a principal who is a resident of Canada or otherwise subject to the laws of Canada (each such purchaser or principal a "**Canadian Purchaser**") by such Dealer shall be made so as to be exempt from the prospectus filing requirements in Canada, and exempt from or in compliance with the dealer registration requirements, of all applicable securities laws and regulations of Canada, rulings and orders made thereunder and rules, instruments and policy statements issued and adopted by the relevant securities regulator or regulatory authority in Canada, including those applicable in each of the provinces and territories of Canada (the "**Canadian Securities Laws**");

- (b) where required under applicable Canadian Securities Laws:
 - (i) it is appropriately registered under the applicable Canadian Securities Laws in each province and territory to sell and deliver the Notes to each Canadian Purchaser that is a resident of, or otherwise subject to the Canadian Securities Laws of, such province or territory, and to whom it sells or delivers any Notes;
 - (ii) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the representations, warranties and agreements set out herein; or
 - (iii) any sale and delivery of Notes in Canada will be made by a Dealer that is permitted to rely on the “international dealer exemption” contained in section 8.18 of NI 31-103 - Registration Requirements, Exemptions and Ongoing Registrant Obligations (“**NI 31-103**”), has complied with all requirements of that exemption and has provided notice to such investor, as required by NI 31-103, provided that a statement to such effect in any Canadian Offering Memorandum delivered to such Canadian Purchaser by the Dealer shall constitute such notice;
- (c) it will comply with all relevant Canadian Securities Laws concerning any resale of the Notes by it and will prepare, execute, deliver and file all documentation required by the applicable Canadian Securities Laws to permit each resale by it of Notes to a Canadian Purchaser;
- (d) it will ensure that each Canadian Purchaser purchasing from it: (i) has represented to it that such Canadian Purchaser is a resident in, and subject to the Canadian Securities Laws of, a province or territory of Canada, or is a corporation, partnership, or other entity, resident and created in or organised under the laws of Canada or any province or territory thereof; (ii) has represented to it that (a) such Canadian Purchaser is an “accredited investor” as defined in section 73.3(1) of the Securities Act (Ontario) or 1.1 of National Instrument 45-106-Prospectus Exemptions (“**NI 45-106**”) and which categories set forth in the relevant definition of “accredited investor” in NI 45-106 correctly describe such Canadian Purchaser and that it is not a person created or used solely to purchase or hold the Notes as an accredited investor as described in Section 2.3(5) of NI 45-106, and (b) where the sale and delivery of the Notes will be made by a Dealer that is permitted to rely on the “international dealer exemption”, that such Canadian Purchaser is a “permitted client” as defined in section 1.1 of NI 31-103 and which categories set forth in the definition of permitted client in NI 31-103 correctly describe such Canadian Purchaser; and (iii) consents to disclosure of all required information about the purchase to the relevant Canadian securities regulatory authorities;
- (e) the offer and sale of the Notes by the Dealer was not made through or accompanied by any advertisement of the Notes, including, without limitation, in printed media of general and regular paid circulation, radio, television, or

telecommunications, including electronic display or any other form of advertising or as part of a general solicitation in Canada by the Dealer;

- (f) it has not provided and will not provide to any Canadian Purchaser any document or other material that would constitute an offering memorandum, other than (i) pursuant to, and in compliance with an exemption from additional disclosure requirements under applicable Canadian Securities Laws or (ii) any Canadian Offering Memorandum prepared in connection with the issue of the relevant Notes to be prepared by the relevant Issuer, in form and content satisfactory to the Dealer, acting reasonably, and provided to the Dealer (the “**Canadian Offering Memorandum**”);
- (g) it will ensure that each Canadian Purchaser purchasing from it is advised that no securities commission, stock exchange or other similar regulatory authority in Canada has reviewed or in any way passed upon the Canadian Offering Memorandum or the merits of the Notes described therein, nor has any such securities commission, stock exchange or other similar regulatory authority in Canada made any recommendation or endorsement with respect to the Notes, provided that a statement to such effect in any Canadian Offering Memorandum delivered to such Canadian Purchaser by the Dealer shall constitute such disclosure;
- (h) it has not made and it will not make any written or oral representations to any Canadian Purchaser (i) that it or any person will resell or repurchase the Notes purchased by such Canadian Purchaser; (ii) that the Notes will be freely tradeable by the Canadian Purchaser without any restrictions or hold periods; (iii) that any person will refund the purchase price of the Notes; or (iv) as to the future price or value of the Notes; and
- (i) it will inform each Canadian Purchaser purchasing from it (i) that the relevant Issuer is not a “reporting issuer” (as defined under applicable Canadian Securities Laws) and is not, and may never be, a reporting issuer in any province or territory of Canada and there currently is no public market in Canada for any of the Notes, and one may never develop; (ii) that the Notes will be subject to resale restrictions under applicable Canadian Securities Laws; and (iii) such Canadian Purchaser’s name and other specified information will be disclosed to the relevant Canadian securities regulators or regulatory authorities and may become available to the public in accordance with applicable laws, provided that a statement to such effect in any Canadian Offering Memorandum delivered to such Canadian Purchaser by the Dealer shall constitute such disclosure.

Poland

No permit has been obtained from the Polish Financial Supervisory Authority (the “**Polish FSA**”) in relation to the issue of any Notes. Notes cannot be offered or sold in the Republic of Poland (“**Poland**”) by way of a Public Offering (as defined below), unless it is done in compliance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading

on a regulated market, and repealing Directive 2003/71/EC (the “**2017 Prospectus Regulation**”), the Act on Public Offering and on the Conditions Governing the Introduction of Financial Instruments to an Organised Trading System and Public Companies dated 29 July 2005 (as amended) and any other applicable laws and regulations enacted under these acts or in substitution thereof from time to time. Under the 2017 Prospectus Regulation, an ‘offer of securities to the public’ means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities (“**Public Offering**”).

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the sale to or acquisition and holding of the Notes by residents of Poland may be subject to additional requirements and restrictions imposed by Polish law, beyond the restrictions and requirements provided by generally applicable provisions of European Union law, including under foreign exchange regulations.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

The Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the “**DFSA**”) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Indonesia

The Notes have not been offered or sold and will not be offered or sold in Indonesia or to Indonesian nationals, corporations or to Indonesian citizens, wherever they are domiciled or to Indonesian residents, including by way of invitation, offering or advertisement, and neither the Prospectus nor any other offering materials relating to the Notes have been distributed, or will be distributed, in Indonesia or to Indonesian nationals, corporations or residents in a manner which constitutes a public offering of the Notes under the laws or regulations of the Republic of Indonesia.

Malaysia

The Notes may not be offered, sold, transferred or otherwise disposed directly or indirectly, nor may any document or other material in connection therewith be distributed, other than to:

- (a) sophisticated investors as specified in Part 1 of Schedule 6 or Part 1 of Schedule 7 of The Capital Market and Services Act 2007 (“**CMSA**”);
- (b) a person who acquires the unlisted capital market product where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or
- (c) any other person as may be determined by the Commission,

where such offer, sale, transfer or disposal would fall under Schedule 8 or Section 257(3) of the CMSA, as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time.

Belgium

In the case of Notes having a maturity of less than 12 months that qualify as money market instruments, this Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Financial Services and Markets Authority (the “**Belgian FSMA**”). Accordingly, no action will be taken and the Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall refrain from taking any action that would require the publication of a prospectus pursuant to the Belgian law of 11 July 2018 on the offering of investment instruments to the public and the admission of investment instruments to trading on a regulated market (the “**Belgian Prospectus Law**”).

Bearer Notes (including, without limitation, definitive securities in bearer form and securities in bearer form underlying the Notes) shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms (or in the case of Exempt Notes, the Pricing Supplement), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a “**Belgian Consumer**”) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Switzerland

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes and the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

General

Each Dealer has severally agreed, and each further Dealer appointed under the Programme will be required to agree, with the relevant Issuer that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes and that it will not, directly or indirectly, offer, sell or deliver Notes or distribute or publish this document, any prospectus, circular, advertisement or other offering material (including, without limitation, any supplement to this document) in relation to the Notes in or from any country of jurisdiction except under circumstances that will to be the best of its knowledge and belief result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Notes by it will be made on the foregoing terms.

The restrictions on offerings may be modified by the agreement of the relevant Issuer and the Dealers following a change in a relevant law, regulation or directive.

GENERAL INFORMATION

1. Incorporation

Santander UK plc was incorporated in England and Wales on 12 September 1988 with registered number 2294747. Santander UK Group Holdings plc was incorporated in England and Wales on 23 September 2013 with registered number 8700698.

2. Authorisation

The commencement of the Programme and the issue of Notes (with maturities not exceeding 30 years) was duly confirmed and authorised by (i) resolutions of the Board of Directors of Santander UK plc dated 24 July 2017 and by resolutions a committee of the Board of Directors approved on 4 August 2017 and (ii) resolutions of the Board of Directors of Santander UK Group Holdings plc dated 24 July 2017 and by resolutions a committee of the Board of Directors approved on 4 August 2017. Pursuant to such resolutions, authority was delegated to the relevant CEO, the relevant CFO, a committee formed of any two directors of the relevant Issuer or a committee formed of two persons authorised by the relevant Board of Directors. Pursuant to such delegated authorities, a committee formed of two persons authorised by the Board of Directors of (i) Santander UK plc and (ii) Santander UK Group Holdings plc duly confirmed and authorised the continuation of the Programme pursuant to resolutions each dated 27 April 2022.

3. Listing of Notes on the Official List

The listing of Notes on the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to listing on the Official List and to trading on the London Stock Exchange's Main Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. The acceptance of the Programme on the Official List in respect of Notes is expected to be granted on or around 5 May 2022.

4. Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection on the website of the Issuers: <https://www.santander.co.uk/about-santander/investor-relations/euro-medium-term-note-programme>:

- (i) the articles of association of each Issuer;
- (iii) the Agency Agreement and the Trust Deed (which contains the forms of Global Notes, Notes in definitive form, Coupons and Talons);
- (iv) this Prospectus;

- (v) any future information memoranda, offering circulars, prospectuses and supplements to this Prospectus and any other documents incorporated herein or therein by reference; and
- (vi) Final Terms and Pricing Supplements (save that Final Terms and Pricing Supplements relating to a Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Paying Agent as to its holding of Notes and identity).

5. Clearing Systems

The Notes in bearer and registered form have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). In addition, the relevant Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Avenue J. F. Kennedy, L-1855 Luxembourg.

The address of DTC is 55 Water Street, 25th Floor, New York, NY 10041-0099, United States of America.

6. Significant or Material Change

There has been no significant change in the financial position or financial performance of each of the Issuers and their respective subsidiaries since 31 December 2021, being the date of each Issuer's last audited consolidated financial statements.

There has been no material adverse change in the prospects of each of the Issuers and their respective subsidiaries since 31 December 2021, being the date of each Issuer's last audited consolidated financial statements.

7. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers are aware) which may have or had, in the 12 months prior to the date hereof, a significant effect on the financial position or profitability of the Santander UK Group or each of the Issuers and its subsidiaries.

8. Independent Auditors

The consolidated annual financial statements of the Issuers and the Group for the years ended 31 December 2021 and 31 December 2020 incorporated by reference in this Prospectus have been audited by PricewaterhouseCoopers LLP, independent chartered accountants and registered auditors, as stated in their reports appearing therein.

The auditors of the Issuers and the Group have no material interest in the Issuers or the Group.

9. Legend for Bearer Notes, Coupons and Talons in respect of certain limitations under United States income tax laws

Bearer Notes and the relevant Coupons or Talons will bear a legend to the effect that any U.S. person holding the same will be subject to limitations under the United States income tax laws, including those under Section 165(j) and 1287(a) of the United States Internal Revenue Code of 1986, as amended.

10. Programme Ratings

As at the date of this Prospectus, in respect of Santander UK the Programme has been rated (i) (P)A1 (senior unsecured) and (P)P-1 (short-term) by Moody's, (ii) A (senior unsecured notes with a maturity of one year or more) and A-1 (senior unsecured notes with a maturity of less than one year) by S&P and (iii) A+ (long-term senior unsecured) and F1 (short-term senior unsecured) by Fitch.

As at the date of this Prospectus, in respect of Santander UK Group Holdings the Programme has been rated (i) (P)Baa1 (senior unsecured), (P)P-2 (short-term) and (P)Baa1 (subordinated) by Moody's, (ii) BBB (senior unsecured notes with a maturity of one year or more), A-2 (senior unsecured notes with a maturity of less than one year) and BB+ (subordinated notes) by S&P and (iii) A (long-term senior unsecured) and F1 (short-term senior unsecured) by Fitch.

11. Contracts (Rights of Third Parties) Act 1999

The Contracts (Rights of Third Parties) Act 1999 (the "**Act**") provides, *inter alia*, that persons who are not parties to a contract governed by the laws of England and Wales may be given enforceable rights under such contract. This Programme expressly excludes the application of the Act to any issue of Notes under the Programme.

12. Post Issuance Information

The Issuers do not intend to provide any post-issuance information in relation to any issue of Notes.

13. Indicative Yield for Fixed Rate Notes

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms (or, in the case of Exempt

Notes, the applicable Pricing Supplement). The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

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