

EXECUTION VERSION

IRS AMENDMENT AGREEMENT

16 JUNE 2020

SANTANDER UK PLC
as Party A

and

ABBEY COVERED BONDS LLP
as Party B

and

DEUTSCHE TRUSTEE COMPANY LIMITED
as Security Trustee

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THIS IRS AMENDMENT AGREEMENT is made on 16 June 2020

BETWEEN:

- (1) **SANTANDER UK PLC (Party A)**;
- (2) **ABBEY COVERED BONDS LLP (Party B)**; and
- (3) **DEUTSCHE TRUSTEE COMPANY LIMITED (the Security Trustee)**.

The parties have previously entered into a 1992 ISDA Master Agreement (Multicurrency-Cross Border) including the Schedule thereto dated as of 25 May 2005, entered into between Abbey National Treasury Services plc, Party B and the Security Trustee, as amended and restated by the Amendment Agreement (as defined below) and as novated from Abbey National Treasury Services plc to Party A pursuant to the Novation Agreement (as defined below) and as further amended and supplemented from time to time (the **Interest Rate Swap Agreement**), including the interest rate swap transactions (the **IRS Transactions**) evidenced by the following confirmations:

- (a) the interest rate swap confirmation dated 12 February 2020 relating to the Series 76 Covered Bonds (the **Series 76 Confirmation**);
- (b) the interest rate swap confirmation dated 12 February 2020 relating to the Series 75 Covered Bonds (the **Series 75 Confirmation**);
- (c) the interest rate swap confirmation dated 15 January 2020 relating to the Series 74 Covered Bonds (the **Series 74 Confirmation**);
- (d) the interest rate swap confirmation dated 12 November 2019 relating to the Series 73 Covered Bonds (the **Series 73 Confirmation**);
- (e) the interest rate swap confirmation dated 14 May 2019 relating to the Series 72 Covered Bonds (the **Series 72 Confirmation**);
- (f) the interest rate swap confirmation dated 12 February 2019 relating to the Series 71 Covered Bonds (the **Series 71 Confirmation**);
- (g) the interest rate swap confirmation dated 20 September 2018 relating to the Series 70 Covered Bonds (the **Series 70 Confirmation**);
- (h) the interest rate swap confirmation dated 20 September 2018 relating to the Series 69 Covered Bonds (the **Series 69 Confirmation**);
- (i) the interest rate swap confirmation dated 13 April 2018 relating to the Series 68 Covered Bonds (the **Series 68 Confirmation**);
- (j) the interest rate swap confirmation dated 10 January 2018 relating to the Series 67 Covered Bonds (the **Series 67 Confirmation**);
- (k) the interest rate swap confirmation dated 16 January 2018 relating to the Series 66 Tranche 2 Covered Bonds (the **Series 66 Tranche 2 Confirmation**);
- (l) the interest rate swap confirmation dated 16 November 2017 relating to the Series 66 Tranche 1 Covered Bonds (the **Series 66 Tranche 1 Confirmation**);

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- (m) the interest rate swap confirmation dated 9 February 2016 relating to the Series 63 Covered Bonds (the **Series 63 Confirmation**);
- (n) the interest rate swap confirmation dated 26 November 2013 relating to the Series 56 Covered Bonds (the **Series 56 Confirmation**);
- (o) the interest rate swap confirmation dated 27 August 2013 relating to the Series 55 Covered Bonds (the **Series 55 Confirmation**); and
- (p) the interest rate swap confirmation dated 21 August 2013 relating to the Series 54 Covered Bonds (the **Series 54 Confirmation**),

in each case, as amended and supplemented from time to time (the **Future IRS Confirmations** and any one of them, a **Future IRS Confirmation**); and

- (q) the interest rate swap confirmation dated 23 March 2012 relating to the Series 42 Covered Bonds (the **Series 42 Confirmation**);
- (r) the interest rate swap confirmation dated 16 February 2012 relating to the Series 37 Covered Bonds (the **Series 37 Confirmation**);
- (s) the interest rate swap confirmation dated 14 April 2011 relating to the Series 24 Covered Bonds (the **Series 24 Confirmation**);
- (t) the interest rate swap confirmation dated 28 February 2011 relating to the Series 23 Covered Bonds (the **Series 23 Confirmation**);
- (u) the interest rate swap confirmation dated 7 December 2010 relating to the Series 20 Covered Bonds (the **Series 20 Confirmation**);

in each case, as amended and supplemented from time to time (the **Original IRS Confirmations** and any one of them, an **Original IRS Confirmation**).

The purpose of this IRS Amendment Agreement is to individually amend and restate:

- (i) the Future IRS Confirmations so that each Future IRS Confirmation will be replaced in its entirety by a confirmation in the form of the confirmation set out in Annex 1 hereto (the **Template Future IRS Confirmation**); and
- (ii) the Original IRS Confirmations so that each Original IRS Confirmation will be replaced in its entirety by a confirmation in the form of the confirmation set out in Annex 2 hereto (the **Template Original IRS Confirmation**),

in each case, as supplemented by the information specified in Annex 3 hereto (each an **Amended and Restated IRS Confirmation**).

Accordingly, in consideration of the mutual agreements contained in this IRS Amendment Agreement, the parties agree as follows:

1. DEFINITIONS

Capitalised terms used, but not defined, in this IRS Amendment Agreement shall have the meanings given thereto in the Amended and Restated Master Definitions and Construction Agreement made between, inter alios, the parties to this IRS Amendment Agreement on 8 September 2009, as the same may be amended, varied or supplemented from time to time.

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In this IRS Amendment Agreement:

Amendment Agreement means the amendment agreement between Abbey National Treasury Services plc, Party B and the Security Trustee dated 24 December 2012;

Amendment Effective Date means 12 June 2020; and

Novation Agreement means the novation agreement between Abbey National Treasury Services plc, Party A, Party B and the Security Trustee dated as of 30 March 2016.

2. AMENDMENT OF THE IRS CONFIRMATIONS

Without prejudice to the terms of the Amendment Agreement, with effect from and including the Amendment Effective Date:

- (a) the Future IRS Confirmations are individually amended and restated so that each Future IRS Confirmation shall be replaced in its entirety by a confirmation in the form of the Template Future IRS Confirmation; and
- (b) the Original IRS Confirmations are individually amended and restated so that each Original IRS Confirmation shall be replaced in its entirety by a confirmation in the form of the Template Original IRS Confirmation,

in each case, with:

- (i) the Relevant Series specified in Annex 3 hereto as the "Relevant Series" for the purposes of the corresponding Amended and Restated IRS Confirmation;
- (ii) the Original Confirmation Date specified in Annex 3 hereto as the "Original Date" for the purposes of the corresponding Amended and Restated IRS Confirmation;
- (iii) the Relevant Covered Bonds specified in Annex 3 hereto as the "Relevant CBs" for the purposes of the corresponding Amended and Restated IRS Confirmation; and
- (iv) the Trade Date specified in Annex 3 hereto as the "Original Trade Date" for the purposes of the corresponding Amended and Restated IRS Confirmation,

and in the case of each Amended and Restated IRS Confirmation relating to an Original IRS Confirmation, with:

- (v) the Fixed Rate Spread specified in Annex 3 hereto as "the FR Spread" for the purposes of such Amended and Restated IRS Confirmation;
- (vi) the Tracker Spread specified in Annex 3 hereto as "the T Spread" for the purposes of such Amended and Restated IRS Confirmation; and
- (vii) the Variable Rate Spread specified in Annex 3 hereto as "the VR Spread" for the purposes of such Amended and Restated IRS Confirmation.

3. REPRESENTATIONS

Each party (other than the Security Trustee) represents to the other parties hereto with respect to the Interest Rate Swap Agreement, as amended pursuant to this IRS Amendment Agreement, that all representations made by it pursuant to the IRS Amendment Agreement are true and accurate as of the date of this IRS Amendment Agreement.

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4. MISCELLANEOUS

4.1 Entire Agreement, Restatement

This IRS Amendment Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.

4.2 Amendments

No amendment, modification or waiver in respect of matters contemplated by this IRS Amendment Agreement will be effective unless made in accordance with the terms of the Interest Rate Swap Agreement.

4.3 Counterparts

This IRS Amendment Agreement may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

4.4 Headings

The headings used in this IRS Amendment Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this IRS Amendment Agreement.

4.5 Contracts (Rights of Third Parties) Act

A person who is not party to this IRS Amendment Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this IRS Amendment Agreement.

4.6 Governing Law

This IRS Amendment Agreement and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

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IN WITNESS whereof the parties have executed this IRS Amendment Agreement on the respective dates specified below with effect from the date specified on the first page of this IRS Amendment Agreement.

SANTANDER UK PLC

By:

Name:

Title:

Date: 15 June 2020

ABBEY COVERED BONDS LLP

By:

Name:

Title:

Date: 15 June 2020

DEUTSCHE TRUSTEE COMPANY LIMITED

By:

Name:

Title:

Date:

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IN WITNESS whereof the parties have executed this IRS Amendment Agreement on the respective dates specified below with effect from the date specified on the first page of this IRS Amendment Agreement.

SANTANDER UK PLC

By:

Name:

Title:

Date:

ABBEY COVERED BONDS LLP

By:

Name:

Title:

Date:

DEUTSCHE TRUSTEE COMPANY LIMITED

By:

Name:

Title:

Date:



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ANNEX 1

TEMPLATE FUTURE IRS CONFIRMATION

TEMPLATE FUTURE IRS CONFIRMATION

Relevant Series

INTEREST RATE SWAP CONFIRMATION

From: Santander UK plc (**Party A**)
2 Triton Square
Regent's Place
London NW1 3AN

To: Abbey Covered Bonds LLP (**Party B**)
2 Triton Square
Regent's Place
London NW1 3AN

Attention: Medium Term Funding and Treasury Legal

To: Deutsche Trustee Company Limited (the **Security Trustee**)
Winchester House
1 Great Winchester Street
London EC2N 2DB

Attention: Managing Director (ABS/MBS Group)

Original Date, as amended
and restated as of 12 June
2020

Dear Sirs,

Confirmation – Interest Rate Swap

Relevant CBs

The purpose of this amended and restated letter (this **Confirmation**) is to confirm the terms and conditions of the Swap Transaction entered into between us, you and the Security Trustee on the Trade Date specified below, as amended as of 12 June 2020, and it amends and restates the confirmation dated as of the Trade Date. This Confirmation constitutes a **Confirmation** as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of 25 May 2005 entered into between Abbey National Treasury Services plc, you and the Security Trustee as amended and restated by the Amendment Agreement (as defined below) and as novated from Abbey National Treasury Services plc to Party A pursuant to the Novation Agreement (as defined below) and as further amended and supplemented from time to time (the **Agreement**).

The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the **Definitions**) are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions and Construction

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Agreement (as defined below); and (iii) the Definitions. The following expressions shall, for the purpose of this Confirmation, have the following meanings:

The term **Transaction** as used herein shall, for the purposes of the Definitions, have the same meaning as **Swap Transaction** and shall be construed as a Future Interest Rate Swap Transaction for the purposes of the Amendment Agreement.

Amendment Agreement means the amendment agreement between Abbey National Treasury Services plc, Abbey Covered Bonds LLP and Deutsche Trustee Company Limited dated 24 December 2012.

Average Fixed Rate Loan Balance means, in respect of a Portfolio Calculation Period, the average daily aggregate outstanding current balance of the Fixed Rate Loans in the Portfolio during the relevant Portfolio Calculation Period as notified by the Cash Manager in accordance with the Cash Management Agreement.

Average Loan Balance means, in respect of a Portfolio Calculation Period, the sum of the Average Fixed Rate Loan Balance, the Average Variable Rate Loan Balance and the Average Tracker Rate Loan Balance.

Average Tracker Rate Loan Balance means, in respect of a Portfolio Calculation Period, the average daily aggregate outstanding current balance of the Tracker Loans in the Portfolio during the relevant Portfolio Calculation Period as notified by the Cash Manager in accordance with the Cash Management Agreement.

Average Variable Rate Loan Balance means, in respect of a Portfolio Calculation Period, the average daily aggregate outstanding current balance of the Variable Rate Loans in the Portfolio during the relevant Portfolio Calculation Period as notified by the Cash Manager in accordance with the Cash Management Agreement.

Blended Rate means, in respect of a Portfolio Calculation Period, a rate of interest equal to the sum of (i) the Weighted Average Fixed Rate for such Portfolio Calculation Period multiplied by the Fixed Rate Ratio for such Portfolio Calculation Period; (ii) the Weighted Average SVR Rate for such Portfolio Calculation Period multiplied by the Variable Rate Ratio for such Portfolio Calculation Period; and (iii) the Tracker Swap Rate for such Portfolio Calculation Period multiplied by the Tracker Ratio for such Portfolio Calculation Period.

Blended Spread means, in respect of a Portfolio Calculation Period, a percentage equal to the sum of (i) the Fixed Rate Spread multiplied by the Fixed Rate Ratio for such Portfolio Calculation Period; (ii) the Variable Rate Spread multiplied by the Variable Rate Ratio for such Portfolio Calculation Period; and (iii) the Tracker Spread multiplied by the Tracker Ratio for such Portfolio Calculation Period; subject to a minimum of 0.50%.

Calculation Date has the meaning specified in the Master Definitions and Construction Agreement.

Covered Bonds means all covered bonds issued by Santander UK plc pursuant to the €35 billion global covered bond programme (the **Covered Bond Programme**).

Daily Blended Spread means, in respect of each day in an Interest Period, the Blended Spread in respect of the Portfolio Calculation Period in which such day falls.

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Daily Notional Amount means, in respect of each day in an Interest Period, the Notional Amount in respect of the Portfolio Calculation Period in which such day falls.

Fixed Rate Ratio means, in respect of a Portfolio Calculation Period, the Average Fixed Rate Loan Balance divided by the Average Loan Balance.

Fixed Rate Spread means 1.37 per cent. per annum, or such other percentage as determined by Party A and agreed with the Rating Agencies from time to time.

Floating Rate means, in respect of an Interest Period:

- (a) if a Covered Bond Swap has been entered into by Party B in connection with the issuance of the Relevant Covered Bonds, the Floating Rate that would be determined in accordance with the terms of that Covered Bond Swap (relevant provisions of which are attached as Exhibit 1), for a Party B Calculation Period (as defined in the relevant Covered Bond Swap Confirmation) which is the same as the relevant Interest Period (for purposes of this Transaction);
- (b) if a Covered Bond Swap has not been entered into by Party B in connection with the issuance of the Relevant Covered Bonds and the Term Advance relating to such Relevant Covered Bonds bears interest based on LIBOR, the rate of interest (not including the margin) payable by Party B in respect of such date under the Term Advance in respect of the Relevant Covered Bonds; and
- (c) in all other circumstances, the Floating Rate Option.

Floating Rate Option means GBP-SONIA-COMPOUND (as set out in Exhibit 2).

Interest Period means the period from (and including) one Payment Date to (but excluding) the next following Payment Date, except that (i) the first Interest Period shall commence on (and include) the Effective Date and end on (but exclude) the first Payment Date and (ii) the final Interest Period shall end on (but exclude) the Termination Date.

Notional Amount means, in respect of a Portfolio Calculation Period, an amount in Sterling equal to the Average Loan Balance multiplied by an amount equal to the Sterling Equivalent of the Principal Amount Outstanding of the Relevant Covered Bonds on the first day of that Portfolio Calculation Period (after taking into account any redemption of the Relevant Covered Bonds on such day) divided by the Sterling Equivalent of the aggregate Principal Amount Outstanding of all Series of Covered Bonds in issue under the Covered Bond Programme on the first day of that Portfolio Calculation Period (after taking into account any redemption of any Covered Bonds on such day). The Notional Amount shall be determined on the Calculation Date immediately following the relevant first day of the relevant Portfolio Calculation Period.

Novation Agreement means the novation agreement between Abbey Covered Bonds LLP, Deutsche Trustee Company Limited, Abbey National Treasury Services plc and Santander UK plc dated as of 30 March 2016.

Party A Floating Amount means, in respect of an Interest Period, an amount produced by applying a rate equal to the Floating Rate plus the Weighted Average Blended Spread to an amount equal to the Weighted Average Notional Amount for such Interest Period, such

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amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Interest Period, divided by 365.

Party B Floating Amount means, in relation to an Interest Period, an amount equal to the Portfolio Calculation Period Party B Floating Amount calculated in respect of the Portfolio Calculation Period relating to such Interest Period.

Payment Dates means the 12th day of each month from, and including, the Effective Date to, and including, the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Portfolio means at any time, the Loans that, at such time, have been acquired by Party B from the Seller pursuant to the Mortgage Sale Agreement, but excluding Loans which have been redeemed in full or repurchased by the Seller or otherwise sold by Party B.

Portfolio Calculation Period means the period from (and including) one Calculation Date to (but excluding) the next following Calculation Date, except that (i) the first Portfolio Calculation Period shall commence on (and include) the Effective Date and end on (but exclude) the next following Calculation Date and (ii) the final Portfolio Calculation Period shall end on, but exclude, the Termination Date. Each reference to a Portfolio Calculation Period relating to an Interest Period shall be construed so as to refer to each Portfolio Calculation Period ending on a day that falls in that Interest Period or that ends on the same day as that Interest Period ends.

Portfolio Calculation Period Party B Floating Amount means, in relation to a Portfolio Calculation Period, an amount in Sterling equal to the amount produced by applying the Blended Rate to the Notional Amount (each for such Portfolio Calculation Period), such amount to be calculated by the Calculation Agent on the basis of the actual number of days in the relevant Portfolio Calculation Period, divided by 365.

Relevant Covered Bonds means the Relevant CBs, issued pursuant to the Covered Bond Programme. The Relevant Covered Bonds shall constitute an "Excluded Series" for the purpose of the Transaction constituted by the Confirmation (as defined in the Agreement) dated 8 September 2009.

Tracker Ratio means, in respect of a Portfolio Calculation Period, the Average Tracker Rate Loan Balance divided by the Average Loan Balance.

Tracker Spread means 0.82 per cent. per annum, or such other percentage as determined by Party A and agreed with the Rating Agencies from time to time.

Tracker Swap Rate means, in respect of a Portfolio Calculation Period, a rate of interest equal to the average Bank of England Repo Rate during the Portfolio Calculation Period, as determined by the Cash Manager in accordance with the Cash Management Agreement.

Variable Rate Ratio means, in respect of a Portfolio Calculation Period, the Average Variable Rate Loan Balance divided by the Average Loan Balance.

Variable Rate Spread means 3.02 per cent. per annum, or such other percentage as determined by Party A and agreed with the Rating Agencies from time to time.

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Weighted Average Blended Spread means, in respect of an Interest Period, the sum of the Daily Blended Spreads for each day in that Interest Period *divided by* the number of days in that Interest Period.

Weighted Average Fixed Rate means, in respect of a Portfolio Calculation Period, the weighted average (by daily aggregate outstanding current balance) of the fixed rates of interest charged to borrowers of Fixed Rate Loans during the relevant Portfolio Calculation Period as notified by the Cash Manager in accordance with the Cash Management Agreement.

Weighted Average Notional Amount means, in respect of an Interest Period, the sum of the Daily Notional Amounts for each day in that Interest Period *divided by* the number of days in that Interest Period.

Weighted Average SVR Rate means, in respect of a Portfolio Calculation Period, the weighted average (by daily aggregate outstanding current balance) of the variable rates of interest charged to borrowers of Variable Rate Loans on the first day of the Portfolio Calculation Period, as determined by the Cash Manager in good faith and notified to the Calculation Agent from time to time in accordance with the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.
2. The terms of the Transactions to which this Confirmation relates are as follows:

Party A: Santander UK plc

Party B: Abbey Covered Bonds LLP

Trade Date: Original Trade Date

Effective Date: The Swap Reversion Date (as defined in the Amendment Agreement)

Termination Date: The earlier of:

- (a) the Final Maturity Date in respect of the Relevant Covered Bonds or, if Party B notifies Party A prior to the Final Maturity Date in respect of the Relevant Covered Bonds, of the inability of the LLP to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the Relevant Covered Bonds, the Termination Date shall be the final Interest Payment Date in respect of the Relevant Covered Bonds on which an amount representing the Final Redemption Amount is

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paid, but in any event shall be no later than the Extended Due for Payment Date in respect of the Relevant Covered Bonds;

- (b) the date of redemption in respect of the Relevant Covered Bonds pursuant to Condition 6.2 or Condition 6.6 of the Terms and Conditions;
- (c) the date on which the Relevant Covered Bonds are purchased and surrendered in whole for cancellation pursuant to Condition 6.10 of the Terms and Conditions; and
- (d) the date on which the Average Loan Balance is reduced to zero.

Business Days: London

Calculation of Amounts: On the Calculation Date immediately preceding each Payment Date, the Calculation Agent shall calculate the Party A Floating Amount and the Party B Floating Amount for the Interest Period ending on (but excluding) such Payment Date, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments: If, in relation to a Payment Date:

- (a) the Party A Floating Amount for the relevant Interest Period exceeds the Party B Floating Amount for the relevant Interest Period, Party A shall pay the amount of such excess to Party B on such Payment Date;
- (b) the Party B Floating Amount for the relevant Interest Period exceeds the Party A Floating Amount for the relevant Interest Period, Party B shall pay the amount of such excess to Party A on such Payment Date;
- (c) the Party A Floating Amount for the relevant Interest Period is equal to the Party B Floating Amount for the relevant Interest Period, no amount shall be due and payable by either party hereunder on such Payment Date.

Calculation Agent: Party A

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3. Account Details:

Payments to Party A: To be advised.

Payments to Party B: To be advised.

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4. Notice Details:

Party A:

Address: 2 Triton Square
Regent's Place
London
NW1 3AN

Telephone: +44 (0) 20 7756 7100

Email: MTF@santander.co.uk;
treasurylegal@santander.co.uk

Attention: Medium Term Funding and Treasury Legal

Party B

Address: 2 Triton Square
Regent's Place
London
NW1 3AN

Telephone: +44 (0) 20 7756 7100

Email: MTF@santander.co.uk;
treasurylegal@santander.co.uk

Attention: Medium Term Funding and Treasury Legal

With a copy to the Security Trustee:

Address: Winchester House
1 Great Winchester Street
London
EC2N 2DB

Attention: Managing Director (ABS/MBS Group)

5. Capitalised terms used but not otherwise defined herein shall have the meanings given to them in the Amended and Restated Master Definitions and Construction Agreement made between, inter alios, the parties to this Agreement on 24 April 2018 (as the same may be amended, varied or supplemented from time to time with the consent of certain parties thereto) (the **Master Definitions and Construction Agreement**). The rules of interpretation set out in the Master Definitions and Construction Agreement shall apply to this Confirmation.

6. Security Trustee Liability

It is hereby acknowledged and agreed that by its execution of this Agreement the Security Trustee shall not assume or have any obligations or liabilities to the other

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Parties under this Agreement and that the Security Trustee has agreed to become a party to this Agreement for the purpose only of taking the benefit of this Agreement and agreeing to amendments to this Agreement. The exercise of any of the Security Trustee's rights and/or discretions hereunder will be subject to the same protections and immunities (*mutatis mutandis*) as are conferred upon the Security Trustee and contained in the Deed of Charge (as the same may have been amended and/or supplemented from time to time).

Please confirm that the foregoing correctly sets forth the terms of our agreement by signing a copy of this Confirmation and returning it to us by facsimile transmission on the fax number listed below:

Santander UK plc
2 Triton Square
Regent's Place
London
NW1 3AN

Attention: Medium Term Funding and Treasury Legal
Telephone: +44 (0) 20 7756 7100
Email: MTF@santander.co.uk; treasurylegal@santander.co.uk

Yours faithfully,

Santander UK plc

By: _____

Name: _____

Title: _____

TEMPLATE FUTURE IRS CONFIRMATION

Confirmed and accepted as of the date first written:

Abbey Covered Bonds LLP

By: _____

Name: _____

Title: _____

Deutsche Trustee Company Limited

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

TEMPLATE FUTURE IRS CONFIRMATION**EXHIBIT 1**

The following is extracted from the covered bond swap confirmation in respect of the Relevant Covered Bonds (the **Covered Bond Swap Confirmation**) and sets out in detail the calculations for the Floating Rate. Please refer to the Covered Bond Swap Confirmation for further details.

GBP-SONIA-COMPOUND means that the rate for a Party B Reset Date will be the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Party B Reset Date in respect of the relevant Party B Calculation Period by reference to the index administered by the administrator of the Sterling Overnight Index Average (**SONIA**) reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the Party B Reset Date, provided that if such index has not yet been published by such administrator, in accordance with the formula set forth below and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005% being rounded upwards:

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

where:

d is the number of calendar days in the relevant Reference Period;

d_o for any Party B Calculation Period, is the number of London banking days in the relevant Reference Period;

i is a series of whole numbers from one to **d_o**, each representing the relevant London banking day in chronological order from, and including, the first London banking day in the relevant Reference Period;

London banking day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i, for any London banking day **i**, means the number of calendar days from and including such day **i** up to but excluding the following London banking day;

p means for any Party B Calculation Period, five London banking days or such other period as otherwise agreed between Party A and Party B;

Reference Period means, in respect of a Party B Calculation Period, the period from and including the date falling **p** London banking days prior to the first day of the relevant Party B Calculation Period and ending on, but excluding, the date falling **p** London banking days prior to the Party B Payment Date for such Party B Calculation Period (or the date falling **p** London banking days prior to such earlier date, if any, on which the Covered Bonds become due and payable);

SONIA reference rate, in respect of any London banking day, is a reference rate equal to the daily SONIA rate for such London banking day as provided by the administrator of SONIA to authorised distributors and as then published on the relevant screen page or, if the relevant screen page is unavailable, as otherwise published by such authorised distributors (on the London banking day immediately following such London banking day); and

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SONIA_i means, in respect of any London banking day *i* falling in the relevant Reference Period, the SONIA reference rate for such day.

If, in respect of any London banking day in the Reference Period in respect of the relevant Party B Calculation Period, the Calculation Agent determines that the SONIA reference rate is not available on the relevant screen page or has not otherwise been published by the relevant authorised distributors, 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 banking day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous *p* London banking 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.

TEMPLATE FUTURE IRS CONFIRMATION**EXHIBIT 2**

GBP-SONIA-COMPOUND means that the rate for an Interest Period will be the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Party A Reset Date in respect of such Interest Period by reference to the index administered by the administrator of the Sterling Overnight Index Average (**SONIA**) reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the Party A Reset Date, provided that if such index has not yet been published by such administrator, in accordance with the formula set forth below and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005% being rounded upwards:

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

where:

d is the number of calendar days in the relevant Reference Period;

d_o for any Interest Period, is the number of London banking days in the relevant Reference Period;

i is a series of whole numbers from one to **d_o**, each representing the relevant London banking day in chronological order from, and including, the first London banking day in the relevant Reference Period;

London banking day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i, for any London banking day **i**, means the number of calendar days from and including such day **i** up to but excluding the following London banking day;

p means for any Interest Period, five London banking days or such other period as otherwise agreed between Party A and Party B;

Reference Period means, in respect of an Interest Period, the period from and including the date falling **p** London banking days prior to the first day of the relevant Interest Period and ending on, but excluding, the date falling **p** London banking days prior to the Payment Date for such Interest Period (or the date falling **p** London banking days prior to such earlier date, if any, on which the Relevant Covered Bonds become due and payable);

SONIA reference rate, in respect of any London banking day, is a reference rate equal to the daily SONIA rate for such London banking day as provided by the administrator of SONIA to authorised distributors and as then published on the relevant screen page or, if the relevant screen page is unavailable, as otherwise published by such authorised distributors (on the London banking day immediately following such London banking day); and

SONIA_i, means, in respect of any London banking day **i** falling in the relevant Reference Period, the SONIA reference rate for such day.

If, in respect of any London banking day in the Reference Period in respect of the relevant Interest Period, the

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Calculation Agent determines that the SONIA reference rate is not available on the relevant screen page or has not otherwise been published by the relevant authorised distributors, 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 banking day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous *p* London banking 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.

Notwithstanding the paragraph above, in the event (a) the Bank of England 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, and/or (b) the SONIA reference rate cannot be determined in accordance with the foregoing provisions, the Calculation Agent shall adopt the same methodology to determine the SONIA reference rate in respect of the relevant Interest Period, as is used to determine the SONIA reference rate for the purposes of the relevant Term Advance in respect of such Interest Period (in the case of (a) above, for so long as the SONIA reference rate is not available or has not been published by the authorised distributors).

EXECUTION VERSION

ANNEX 2

TEMPLATE ORIGINAL IRS CONFIRMATION

TEMPLATE ORIGINAL IRS CONFIRMATION

Relevant Series

INTEREST RATE SWAP CONFIRMATION

From: Santander UK plc (**Party A**)
2 Triton Square
Regent's Place
London NW1 3AN

To: Abbey Covered Bonds LLP (**Party B**)
2 Triton Square
Regent's Place
London NW1 3AN

Attention: Medium Term Funding and Treasury Legal

To: Deutsche Trustee Company Limited (the **Security Trustee**)
Winchester House
1 Great Winchester Street
London EC2N 2DB

Attention: Managing Director (ABS/MBS Group)

Original Date, as amended
and restated as of 12 June
2020

Dear Sirs,

Confirmation – Interest Rate Swap

Relevant CBs

The purpose of this amended and restated letter (this **Confirmation**) is to confirm the terms and conditions of the Swap Transaction entered into between us, you and the Security Trustee on the Trade Date specified below, as amended as of 12 June 2020, and it amends and restates the confirmation dated as of the Trade Date. This Confirmation constitutes a **Confirmation** as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of 25 May 2005 entered into between Abbey National Treasury Services plc, you and the Security Trustee as amended and restated by the Amendment Agreement (as defined below) and as novated from Abbey National Treasury Services plc to Party A pursuant to the Novation Agreement (as defined below) and as further amended and supplemented from time to time (the **Agreement**).

The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the **Definitions**) are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions and Construction

TEMPLATE ORIGINAL IRS CONFIRMATION

Agreement (as defined below); and (iii) the Definitions. The following expressions shall, for the purpose of this Confirmation, have the following meanings:

The term **Transaction** as used herein shall, for the purposes of the Definitions, have the same meaning as **Swap Transaction** and shall be construed as an Original Interest Rate Swap Transaction for the purposes of the Amendment Agreement.

Amendment Agreement means the amendment agreement between Abbey National Treasury Services plc, Abbey Covered Bonds LLP and Deutsche Trustee Company Limited dated 24 December 2012.

Average Fixed Rate Loan Balance means, in respect of a Portfolio Calculation Period, the average daily aggregate outstanding current balance of the Fixed Rate Loans in the Portfolio during the relevant Portfolio Calculation Period as notified by the Cash Manager in accordance with the Cash Management Agreement.

Average Loan Balance means, in respect of a Portfolio Calculation Period, the sum of the Average Fixed Rate Loan Balance, the Average Variable Rate Loan Balance and the Average Tracker Rate Loan Balance.

Average Tracker Rate Loan Balance means, in respect of a Portfolio Calculation Period, the average daily aggregate outstanding current balance of the Tracker Loans in the Portfolio during the relevant Portfolio Calculation Period as notified by the Cash Manager in accordance with the Cash Management Agreement.

Average Variable Rate Loan Balance means, in respect of a Portfolio Calculation Period, the average daily aggregate outstanding current balance of the Variable Rate Loans in the Portfolio during the relevant Portfolio Calculation Period as notified by the Cash Manager in accordance with the Cash Management Agreement.

Blended Rate means, in respect of a Portfolio Calculation Period, a rate of interest equal to the sum of (i) the Weighted Average Fixed Rate for such Portfolio Calculation Period multiplied by the Fixed Rate Ratio for such Portfolio Calculation Period; (ii) the Weighted Average SVR Rate for such Portfolio Calculation Period multiplied by the Variable Rate Ratio for such Portfolio Calculation Period; and (iii) the Tracker Swap Rate for such Portfolio Calculation Period multiplied by the Tracker Ratio for such Portfolio Calculation Period.

Blended Spread means, in respect of a Portfolio Calculation Period, a percentage equal to the sum of (i) the Fixed Rate Spread multiplied by the Fixed Rate Ratio for such Portfolio Calculation Period; (ii) the Variable Rate Spread multiplied by the Variable Rate Ratio for such Portfolio Calculation Period; and (iii) the Tracker Spread multiplied by the Tracker Ratio for such Portfolio Calculation Period; subject to a minimum of 0.50%.

Calculation Date has the meaning specified in the Master Definitions and Construction Agreement.

Covered Bonds means all covered bonds issued by Santander UK plc pursuant to the €35 billion global covered bond programme (the **Covered Bond Programme**).

Daily Blended Spread means, in respect of each day in an Interest Period, the Blended Spread in respect of the Portfolio Calculation Period in which such day falls.

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Daily Notional Amount means, in respect of each day in an Interest Period, the Notional Amount in respect of the Portfolio Calculation Period in which such day falls.

Fixed Rate Ratio means, in respect of a Portfolio Calculation Period, the Average Fixed Rate Loan Balance divided by the Average Loan Balance.

Fixed Rate Spread means the FR Spread, or such other percentage as determined by Party A and agreed with the Rating Agencies from time to time.

Floating Rate means, in respect of an Interest Period:

- (a) if a Covered Bond Swap has been entered into by Party B in connection with the issuance of the Relevant Covered Bonds, the Floating Rate that would be determined in accordance with the terms of that Covered Bond Swap (relevant provisions of which are attached as Exhibit 1), for a Party B Calculation Period (as defined in the relevant Covered Bond Swap Confirmation) which is the same as the relevant Interest Period (for purposes of this Transaction);
- (b) if a Covered Bond Swap has not been entered into by Party B in connection with the issuance of the Relevant Covered Bonds and the Term Advance relating to such Relevant Covered Bonds bears interest based on LIBOR, the rate of interest (not including the margin) payable by Party B in respect of such date under the Term Advance in respect of the Relevant Covered Bonds; and
- (c) in all other circumstances, the Floating Rate Option.

Floating Rate Option means GBP-SONIA-COMPOUND (as set out in Exhibit 2).

Interest Period means the period from (and including) one Payment Date to (but excluding) the next following Payment Date, except that (i) the first Interest Period shall commence on (and include) the Effective Date and end on (but exclude) the first Payment Date and (ii) the final Interest Period shall end on (but exclude) the Termination Date.

Notional Amount means, in respect of a Portfolio Calculation Period, an amount in Sterling equal to the Average Loan Balance multiplied by an amount equal to the Sterling Equivalent of the Principal Amount Outstanding of the Relevant Covered Bonds on the first day of that Portfolio Calculation Period (after taking into account any redemption of the Relevant Covered Bonds on such day) divided by the Sterling Equivalent of the aggregate Principal Amount Outstanding of all Series of Covered Bonds in issue under the Covered Bond Programme on the first day of that Portfolio Calculation Period (after taking into account any redemption of any Covered Bonds on such day). The Notional Amount shall be determined on the Calculation Date immediately following the relevant first day of the relevant Portfolio Calculation Period.

Novation Agreement means the novation agreement between Abbey Covered Bonds LLP, Deutsche Trustee Company Limited, Abbey National Treasury Services plc and Santander UK plc dated as of 30 March 2016.

Party A Floating Amount means, in respect of an Interest Period, an amount produced by applying a rate equal to the Floating Rate plus the Weighted Average Blended Spread to an amount equal to the Weighted Average Notional Amount for such Interest Period, such

TEMPLATE ORIGINAL IRS CONFIRMATION

amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Interest Period, divided by 365.

Party B Floating Amount means, in relation to an Interest Period, an amount equal to the Portfolio Calculation Period Party B Floating Amount calculated in respect of the Portfolio Calculation Period relating to such Interest Period.

Payment Dates means the 12th day of each month from, and including, the Effective Date to, and including, the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Portfolio means at any time, the Loans that, at such time, have been acquired by Party B from the Seller pursuant to the Mortgage Sale Agreement, but excluding Loans which have been redeemed in full or repurchased by the Seller or otherwise sold by Party B.

Portfolio Calculation Period means the period from (and including) one Calculation Date to (but excluding) the next following Calculation Date, except that (i) the first Portfolio Calculation Period shall commence on (and include) the Effective Date and end on (but exclude) the next following Calculation Date and (ii) the final Portfolio Calculation Period shall end on, but exclude, the Termination Date. Each reference to a Portfolio Calculation Period relating to an Interest Period shall be construed so as to refer to each Portfolio Calculation Period ending on a day that falls in that Interest Period or that ends on the same day as that Interest Period ends.

Portfolio Calculation Period Party B Floating Amount means, in relation to a Portfolio Calculation Period, an amount in Sterling equal to the amount produced by applying the Blended Rate to the Notional Amount (each for such Portfolio Calculation Period), such amount to be calculated by the Calculation Agent on the basis of the actual number of days in the relevant Portfolio Calculation Period, divided by 365.

Relevant Covered Bonds means the Relevant CBs, issued pursuant to the Covered Bond Programme. The Relevant Covered Bonds shall constitute an "Excluded Series" for the purpose of the Transaction constituted by the Confirmation (as defined in the Agreement) dated 8 September 2009.

Tracker Ratio means, in respect of a Portfolio Calculation Period, the Average Tracker Rate Loan Balance divided by the Average Loan Balance.

Tracker Spread means the T Spread, or such other percentage as determined by Party A and agreed with the Rating Agencies from time to time.

Tracker Swap Rate means, in respect of a Portfolio Calculation Period, a rate of interest equal to the average Bank of England Repo Rate during the Portfolio Calculation Period, as determined by the Cash Manager in accordance with the Cash Management Agreement.

Variable Rate Ratio means, in respect of a Portfolio Calculation Period, the Average Variable Rate Loan Balance divided by the Average Loan Balance.

Variable Rate Spread means the VR Spread, or such other percentage as determined by Party A and agreed with the Rating Agencies from time to time.

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Weighted Average Blended Spread means, in respect of an Interest Period, the sum of the Daily Blended Spreads for each day in that Interest Period *divided by* the number of days in that Interest Period.

Weighted Average Fixed Rate means, in respect of a Portfolio Calculation Period, the weighted average (by daily aggregate outstanding current balance) of the fixed rates of interest charged to borrowers of Fixed Rate Loans during the relevant Portfolio Calculation Period as notified by the Cash Manager in accordance with the Cash Management Agreement.

Weighted Average Notional Amount means, in respect of an Interest Period, the sum of the Daily Notional Amounts for each day in that Interest Period *divided by* the number of days in that Interest Period.

Weighted Average SVR Rate means, in respect of a Portfolio Calculation Period, the weighted average (by daily aggregate outstanding current balance) of the variable rates of interest charged to borrowers of Variable Rate Loans on the first day of the Portfolio Calculation Period, as determined by the Cash Manager in good faith and notified to the Calculation Agent from time to time in accordance with the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.
2. The terms of the Transactions to which this Confirmation relates are as follows:

Party A: Santander UK plc

Party B: Abbey Covered Bonds LLP

Trade Date: Original Trade Date

Effective Date: The Swap Reversion Date (as defined in the Amendment Agreement)

Termination Date: The earlier of:

- (a) the Final Maturity Date in respect of the Relevant Covered Bonds or, if Party B notifies Party A prior to the Final Maturity Date in respect of the Relevant Covered Bonds, of the inability of the LLP to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the Relevant Covered Bonds, the Termination Date shall be the final Interest Payment Date in respect of the Relevant Covered Bonds on which an amount representing the Final Redemption Amount is

TEMPLATE ORIGINAL IRS CONFIRMATION

paid, but in any event shall be no later than the Extended Due for Payment Date in respect of the Relevant Covered Bonds;

- (b) the date of redemption in respect of the Relevant Covered Bonds pursuant to Condition 6.2 or Condition 6.6 of the Terms and Conditions;
- (c) the date on which the Relevant Covered Bonds are purchased and surrendered in whole for cancellation pursuant to Condition 6.10 of the Terms and Conditions; and
- (d) the date on which the Average Loan Balance is reduced to zero.

Business Days: London

Calculation of Amounts: On the Calculation Date immediately preceding each Payment Date, the Calculation Agent shall calculate the Party A Floating Amount and the Party B Floating Amount for the Interest Period ending on (but excluding) such Payment Date, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments: If, in relation to a Payment Date:

- (a) the Party A Floating Amount for the relevant Interest Period exceeds the Party B Floating Amount for the relevant Interest Period, Party A shall pay the amount of such excess to Party B on such Payment Date;
- (b) the Party B Floating Amount for the relevant Interest Period exceeds the Party A Floating Amount for the relevant Interest Period, Party B shall pay the amount of such excess to Party A on such Payment Date;
- (c) the Party A Floating Amount for the relevant Interest Period is equal to the Party B Floating Amount for the relevant Interest Period, no amount shall be due and payable by either party hereunder on such Payment Date.

Calculation Agent: Party A

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3. Account Details:

Payments to Party A: To be advised.

Payments to Party B: To be advised.

TEMPLATE ORIGINAL IRS CONFIRMATION

4. Notice Details:

Party A:

Address: 2 Triton Square
Regent's Place
London
NW1 3AN

Telephone: +44 (0) 20 7756 7100

Email: MTF@santander.co.uk;
treasurylegal@santander.co.uk

Attention: Medium Term Funding and Treasury Legal

Party B

Address: 2 Triton Square
Regent's Place
London
NW1 3AN

Telephone: +44 (0) 20 7756 7100

Email: MTF@santander.co.uk;
treasurylegal@santander.co.uk

Attention: Medium Term Funding and Treasury Legal

With a copy to the Security Trustee:

Address: Winchester House
1 Great Winchester Street
London
EC2N 2DB

Attention: Managing Director (ABS/MBS Group)

5. Capitalised terms used but not otherwise defined herein shall have the meanings given to them in the Amended and Restated Master Definitions and Construction Agreement made between, inter alios, the parties to this Agreement on 24 April 2018 (as the same may be amended, varied or supplemented from time to time with the consent of certain parties thereto) (the **Master Definitions and Construction Agreement**). The rules of interpretation set out in the Master Definitions and Construction Agreement shall apply to this Confirmation.

6. Security Trustee Liability

It is hereby acknowledged and agreed that by its execution of this Agreement the Security Trustee shall not assume or have any obligations or liabilities to the other

TEMPLATE ORIGINAL IRS CONFIRMATION

Parties under this Agreement and that the Security Trustee has agreed to become a party to this Agreement for the purpose only of taking the benefit of this Agreement and agreeing to amendments to this Agreement. The exercise of any of the Security Trustee's rights and/or discretions hereunder will be subject to the same protections and immunities (*mutatis mutandis*) as are conferred upon the Security Trustee and contained in the Deed of Charge (as the same may have been amended and/or supplemented from time to time).

Please confirm that the foregoing correctly sets forth the terms of our agreement by signing a copy of this Confirmation and returning it to us by facsimile transmission on the fax number listed below:

Santander UK plc
2 Triton Square
Regent's Place
London
NW1 3AN

Attention: Medium Term Funding and Treasury Legal
Telephone: +44 (0) 20 7756 7100
Email: MTF@santander.co.uk; treasurylegal@santander.co.uk

Yours faithfully,

Santander UK plc

By: _____

Name: _____

Title: _____

TEMPLATE ORIGINAL IRS CONFIRMATION

Confirmed and accepted as of the date first written:

Abbey Covered Bonds LLP

By: _____

Name: _____

Title: _____

Deutsche Trustee Company Limited

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

TEMPLATE ORIGINAL IRS CONFIRMATION**EXHIBIT 1**

The following is extracted from the covered bond swap confirmation in respect of the Relevant Covered Bonds (the **Covered Bond Swap Confirmation**) and sets out in detail the calculations for the Floating Rate. Please refer to the Covered Bond Swap Confirmation for further details.

GBP-SONIA-COMPOUND means that the rate for a Party B Reset Date will be the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Party B Reset Date in respect of the relevant Party B Calculation Period by reference to the index administered by the administrator of the Sterling Overnight Index Average (**SONIA**) reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the Party B Reset Date, provided that if such index has not yet been published by such administrator, in accordance with the formula set forth below and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005% being rounded upwards:

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

where:

d is the number of calendar days in the relevant Reference Period;

d_o for any Party B Calculation Period, is the number of London banking days in the relevant Reference Period;

i is a series of whole numbers from one to **d_o**, each representing the relevant London banking day in chronological order from, and including, the first London banking day in the relevant Reference Period;

London banking day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i, for any London banking day **i**, means the number of calendar days from and including such day **i** up to but excluding the following London banking day;

p means for any Party B Calculation Period, five London banking days or such other period as otherwise agreed between Party A and Party B;

Reference Period means, in respect of a Party B Calculation Period, the period from and including the date falling **p** London banking days prior to the first day of the relevant Party B Calculation Period and ending on, but excluding, the date falling **p** London banking days prior to the Party B Payment Date for such Party B Calculation Period (or the date falling **p** London banking days prior to such earlier date, if any, on which the Covered Bonds become due and payable);

SONIA reference rate, in respect of any London banking day, is a reference rate equal to the daily SONIA rate for such London banking day as provided by the administrator of SONIA to authorised distributors and as then published on the relevant screen page or, if the relevant screen page is unavailable, as otherwise published by such authorised distributors (on the London banking day immediately following such London banking day); and

TEMPLATE ORIGINAL IRS CONFIRMATION

SONIA_i, means, in respect of any London banking day *i* falling in the relevant Reference Period, the SONIA reference rate for such day.

If, in respect of any London banking day in the Reference Period in respect of the relevant Party B Calculation Period, the Calculation Agent determines that the SONIA reference rate is not available on the relevant screen page or has not otherwise been published by the relevant authorised distributors, 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 banking day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous *p* London banking 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.

TEMPLATE ORIGINAL IRS CONFIRMATION**EXHIBIT 2**

GBP-SONIA-COMPOUND means that the rate for an Interest Period will be the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Party A Reset Date in respect of such Interest Period by reference to the index administered by the administrator of the Sterling Overnight Index Average (**SONIA**) reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the Party A Reset Date, provided that if such index has not yet been published by such administrator, in accordance with the formula set forth below and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005% being rounded upwards:

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

where:

d is the number of calendar days in the relevant Reference Period;

d_o for any Interest Period, is the number of London banking days in the relevant Reference Period;

i is a series of whole numbers from one to **d_o**, each representing the relevant London banking day in chronological order from, and including, the first London banking day in the relevant Reference Period;

London banking day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i, for any London banking day **i**, means the number of calendar days from and including such day **i** up to but excluding the following London banking day;

p means for any Interest Period, five London banking days or such other period as otherwise agreed between Party A and Party B;

Reference Period means, in respect of an Interest Period, the period from and including the date falling **p** London banking days prior to the first day of the relevant Interest Period and ending on, but excluding, the date falling **p** London banking days prior to the Payment Date for such Interest Period (or the date falling **p** London banking days prior to such earlier date, if any, on which the Relevant Covered Bonds become due and payable);

SONIA reference rate, in respect of any London banking day, is a reference rate equal to the daily SONIA rate for such London banking day as provided by the administrator of SONIA to authorised distributors and as then published on the relevant screen page or, if the relevant screen page is unavailable, as otherwise published by such authorised distributors (on the London banking day immediately following such London banking day); and

SONIA_i, means, in respect of any London banking day **i** falling in the relevant Reference Period, the SONIA reference rate for such day.

If, in respect of any London banking day in the Reference Period in respect of the relevant Interest Period, the

TEMPLATE ORIGINAL IRS CONFIRMATION

Calculation Agent determines that the SONIA reference rate is not available on the relevant screen page or has not otherwise been published by the relevant authorised distributors, 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 banking day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous *p* London banking 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.

Notwithstanding the paragraph above, in the event (a) the Bank of England 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, and/or (b) the SONIA reference rate cannot be determined in accordance with the foregoing provisions, the Calculation Agent shall adopt the same methodology to determine the SONIA reference rate in respect of the relevant Interest Period, as is used to determine the SONIA reference rate for the purposes of the relevant Term Advance in respect of such Interest Period (in the case of (a) above, for so long as the SONIA reference rate is not available or has not been published by the authorised distributors).

ANNEX 3

SUPPLEMENTARY TERMS

In respect of each Future IRS Confirmation and each Original IRS Confirmation that is being amended and restated pursuant to this IRS Amendment Agreement, the following specifications shall apply for the purposes of the corresponding Amended and Restated IRS Confirmation.

Future IRS Confirmation	Relevant Series	Original Confirmation Date	Relevant Covered Bonds	Trade Date
Series 76 Confirmation	Series 76	12 February 2020	USD 1,250,000,000 Series 76 Fixed Rate Covered Bonds due 12 February 2023	4 February 2020
Series 75 Confirmation	Series 75	12 February 2020	GBP 1,000,000,000 Series 75 Floating Rate Covered Bonds due 12 February 2027	4 February 2020
Series 74 Confirmation	Series 74	15 January 2020	EUR 1,250,000,000 Series 74 Fixed Rate Covered Bonds due 12 January 2027	8 January 2020
Series 73 Confirmation	Series 73	12 November 2019	GBP 1,000,000,000 Series 73 Floating Rate Covered Bonds due 12 November 2024	5 November 2019
Series 72 Confirmation	Series 72	14 May 2019	EUR 1,000,000,000 Fixed Rate Series 72 Covered Bonds due 12 May 2024	7 May 2019
Series 71 Confirmation	Series 71	12 February 2019	GBP 1,000,000,000 Floating Rate Series 71 Covered Bonds due 12 February 2024	12 February 2019
Series 70 Confirmation	Series 70	20 September 2018	GBP1,000,000,000 Floating Rate Series 70 Covered Bonds due 20 September 2021	20 September 2018
Series 69 Confirmation	Series 69	20 September 2018	EUR 1,000,000,000 Fixed Rate Series 69 Covered Bonds due 20 September 2023	20 September 2018

Future IRS Confirmation	Relevant Series	Original Confirmation Date	Relevant Covered Bonds	Trade Date
Series 68 Confirmation	Series 68	13 April 2018	GBP 1,000,000,000 Floating Rate Series 68 Covered Bonds due 13 April 2021	13 April 2018
Series 67 Confirmation	Series 67	10 January 2018	EUR 1,000,000,000 Fixed Rate Series 67 Covered Bonds due 10 January 2025	10 January 2018
Series 66 Tranche 2 Confirmation	Series 66 – Tranche 2	16 January 2018	GBP 500,000,000 Floating Rate Series 66 Tranche 2 Covered Bonds due 16 November 2022 (as consolidated on or around 09 March 2018 to form a single Series with the GBP 500,000,000 Series 66 Tranche 1 Covered Bonds due 16 November 2022 and issued on 16 November 2017)	16 January 2018
Series 66 Tranche 1 Confirmation	Series 66 – Tranche 1	16 November 2017	GBP 500,000,000 Floating Rate Series 66 Covered Bonds due 16 November 2022	16 November 2017
Series 63 Confirmation	Series 63	9 February 2016	EUR 1,000,000,000 Fixed Rate Series 63 Covered Bonds due August 2021	9 February 2016
Series 56 Confirmation	Series 56	26 November 2013	EUR 1,000,000,000 1.625 per cent. Series 56 Covered Bonds due 26 November 2020	26 November 2013
Series 55 Confirmation	Series 55	27 August 2013	EUR 50,000,000 1.52 per cent. Series 55 Covered Bonds due 2025	12 August 2013
Series 54 Confirmation	Series 54	21 August 2013	EUR 50,000,000 2.50 per cent. Series 54 Covered Bonds due 2025	8 August 2013

Original IRS Confirmation	Relevant Series	Original Confirmation Date	Relevant Covered Bonds	Fixed Rate Spread	Tracker Spread	Variable Rate Spread	Trade Date
Series 42 Confirmation	Series 42	23 March 2012	GBP 75,000,000 Floating Rate Series 42 Covered Bonds due 2027	1.37 per cent. per annum	0.82 per cent. per annum	3.02 per cent. per annum	14 March 2012

Original IRS Confirmation	Relevant Series	Original Confirmation Date	Relevant Covered Bonds	Fixed Rate Spread	Tracker Spread	Variable Rate Spread	Trade Date
Series 37 Confirmation	Series 37	16 February 2012	GBP 750,000,000 5.25 per cent Series 37 Covered Bonds due 2029	1.37 per cent. per annum	0.82 per cent. per annum	3.02 per cent. per annum	8 February 2012
Series 24 Confirmation	Series 24	14 April 2011	GBP 1,250,000,000 5.125 per cent. Series 24 Covered Bonds due 2021	1.37 per cent. per annum	0.82 per cent. per annum	3.02 per cent. per annum	7 April 2011
Series 23 Confirmation	Series 23	28 February 2011	GBP 1,000,000,000 5.75 per cent. Series 23 Covered Bonds due 2026	1.37 per cent. per annum	0.82 per cent. per annum	3.02 per cent. per annum	21 February 2011
Series 20 Confirmation	Series 20	7 December 2010	NOK 1,600,000,000 5.425 per cent. Series 20 Covered Bonds due 2020	0.87 per cent. per annum	0.07 per cent. per annum	1.67 per cent. per annum	22 November 2010