

Execution Version

**COVERED BOND 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: 

To: Deutsche Trustee Company Limited (the **Security Trustee**)  
 21 Moorfields  
 London  
 EC2Y 9DB

Attention: 

18 March 2024

Dear recipients,

**Confirmation – Covered Bond Currency Swap****EUR 1,500,000,000 Fixed Rate Covered Bonds due 12 March 2029 (Series 86)**

This letter constitutes a **Confirmation** as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of 18 March 2024 entered into between us, you and the Security Trustee as amended and supplemented from time to time (the **Agreement**). The purpose of this Confirmation is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below.

The definitions and provisions contained in the 2006 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 Agreement; 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**.

The **Covered Bonds** means the EUR 1,500,000,000 Fixed Rate Covered Bonds due 12 March 2029 issued on the Effective Date hereof.

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 Transaction to which this Confirmation relates are as follows:

Party A: Santander UK plc

Party B: Abbey Covered Bonds LLP

Trade Date: 11 March 2024

Effective Date: 18 March 2024

Termination Date: 12 March 2029 (the **Final Maturity Date**), subject to adjustment in accordance with the Additional Provisions, but in no case shall the Termination Date be later than 12 March 2030 (the **Extended Due for Payment Date**), provided that any Termination Date after the Final Maturity Date will be subject to adjustment in accordance with the Modified Following Business Day Convention.

Covered Bond Swap Rate: GBP 0.8520 per EUR 1.00

Business Days: London, T2

Business Day Convention: Following (save where expressly specified otherwise)

Calculation Agent: As per Part 4(e) of the schedule to the Agreement.

Party A Fixed Amounts:

Party A Fixed Amount Currency Amount: EUR 1,500,000,000

Party A Fixed Amount Payment Dates: 12 March in each year from, and including, 12 March 2025 to, and including, the Final Maturity Date, subject to adjustment in accordance with the Business Day Convention.

Party A Fixed Amount Period End Dates: 12 March in each year from, and including, 12 March 2025 to, and including, the Final Maturity Date, with No Adjustment.

Party A Fixed Amount Calculation Periods: Each period from, and including, one Party A Fixed Amount Period End Date to, but excluding, the next Party A Fixed Amount Period End Date, except that (a) the initial Party A Fixed Amount Calculation Period will commence on, and include, the Effective Date and end on but exclude 12 March 2025 and (b) the final Party A Fixed Amount Calculation Period shall end on, but exclude, the Final Maturity Date.

Fixed Rate: 3.00 per cent. per annum.

Fixed Rate Day Count Fraction: In respect of the calculation of a Party A Fixed Amount, a fraction equal to “number of days accrued/number of days in year”, as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital

Market Association (the “**ICMA Rule Book**”) calculated in accordance with Rule 251 of the ICMA Rule Book, as applied to non US Dollar denominated straight and convertible bonds issued after December 31, 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Party A Fixed Amount Calculation Period in respect of which payment is being made.

Party A Floating Amounts:

Party A Floating Amount Currency Amount: In respect of each Party A Floating Amount Calculation Period, the Principal Amount Outstanding of the Covered Bonds on the first day of such Party A Floating Amount Calculation Period (after taking into account any redemption of the Covered Bonds on such day).

Party A Floating Amount Payment Date: Provided that no Redemption Notice (as defined below) has been given confirming that the Covered Bonds are redeemable in full on a Final Exchange Date on or before the Extension Determination Date (as defined below), the 12<sup>th</sup> day of each calendar month from, but excluding, the Final Maturity Date to, and including, the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Party A Floating Amount Calculation Period: Each period (if any) from, and including, each Party A Floating Amount Payment Date to, but excluding, the next Party A Floating Amount Payment Date during the Term of the Swap Transaction, except that (a) the initial Party A Floating Amount Calculation Period will commence on, and include, the Final Maturity Date and end on, but exclude, the first Party A Floating Amount Payment Date and (b) the final Party A Floating Amount Calculation Period shall end on, but exclude, the Termination Date.

Party A Floating Rate Option: EUR-EURIBOR-Reuters

Designated Maturity: 1 month

Party A Spread: 0.40 per cent.

Party A Floating Rate Day Count Fraction: Actual/360

Party A Reset Dates: The first day of each Party A Floating Amount Calculation Period.

Party B Floating Amounts:

Party B Currency Amount: In respect of each Party B Calculation Period, the Sterling equivalent of the Party A Fixed Amount Currency Amount or a Party A Floating Amount Currency Amount (as the case may be) on the first day of such Party B Calculation Period converted by reference to the Covered Bond Swap Rate.

Party B Payment Dates: (i) The 12th day of each calendar month, from and including 12 April 2024 to, and including, the Final Maturity Date, subject to adjustment in accordance with the Business Day Convention; and

(ii) The 12th day of each calendar month from, but excluding, the Final Maturity Date to, and including, the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.

Party B Calculation Periods: Each period from, and including, one Party B Payment Date to, but excluding, the next Party B Payment Date during the Term of the Swap Transaction, except that (a) the initial Party B Calculation Period will commence on, and include, the Effective Date and end on, but exclude, the first Party B Payment Date and (b) the final Party B Calculation Period shall end on, but exclude, the Termination Date.

Party B Floating Rate Option: Compounded Daily SONIA

Compounded Daily SONIA 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 Index Average (SONIA) as the 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 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<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Index<sub>End</sub> 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 (being Bloomberg Screen Page SONCINDEX) 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* means for any Party B Calculation Period, five London Business Days or such other period as otherwise agreed between Party A and Party B;

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

**SONIA Index** means 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 Party B Reset Date;

**SONIA Index Start** means, with respect to any Party B Calculation Period, the SONIA Index value for the day which is *p* London Business Days prior to the first day of such Party B Calculation Period; and

**SONIA Index End** means, with respect to any Party B Calculation Period, the SONIA Index value for the day which is *p* London Business Days prior to the Party B Payment Date on which such Party B Calculation Period ends.

This Compounded Daily SONIA provision is subject to the SONIA fallback provisions set out in the Annex to this Confirmation where those provisions apply.

Party B Spread: 0.68 per cent. per annum.

Party B Floating Rate Day Count Fraction: Actual/365 (Fixed)

Party B Reset Dates: In respect of each Party B Calculation Period, the day which is *p* London Business Days prior to the Party B Payment Date on which such Party B Calculation Period ends.

Initial Exchange:

Initial Exchange Date: Effective Date

Party A Initial Exchange Amount 1: GBP 1,278,009,713

Party A Initial Exchange Amount 2: EUR 5,490,000

Party B Initial Exchange Amount: EUR 1,500,000,000

Final Exchanges:

Final Exchange Date: (i) The Final Maturity Date in respect of the Covered Bonds, (ii) each Business Day during the period (if any) commencing on, but excluding, the Final Maturity Date to, and including, the Extension Determination Date (if any and as defined below), (iii) the 12<sup>th</sup> day of each calendar month from, but excluding, the Extension Determination Date (if any and as defined below) to, but excluding, the Extended Due for Payment Date (if any), subject to adjustment in accordance with the Modified Following Business Day Convention and (iv) the Extended Due for Payment Date (if any), provided that, if at any time a Redemption Notice (as defined below) is given confirming that

the Covered Bonds then outstanding are redeemable in full on a Final Exchange Date, that Final Exchange Date will be the last Final Exchange Date.

**Extension Determination Date** means the date that is seven calendar days plus two Business Days from, and including, the Final Maturity Date.

Party A Final Exchange Amounts: In respect of each Final Exchange Date, the Euro equivalent of the relevant Party B Final Exchange Amount converted by reference to the Covered Bond Swap Rate.

Party B Final Exchange Amounts: In respect of each Final Exchange Date, the relevant Redemption Notice Amount (as defined below), if any.

### 3. **Additional Payment**

Notwithstanding Section 2(a)(iii)(2) (but without prejudice to Section 2(a)(iii)(1)) and Section 6(c) of the Agreement, in the event that an Early Termination Date occurs in respect of the Transaction evidenced by this Confirmation as a result of an Additional Termination Event pursuant to Part 1(h)(i) or Part 1(h)(iii) or Part 1(h)(iv) of the Schedule to the Agreement, then on that Early Termination Date:

- (i) Party A will pay to Party B an amount in Euro equal to the Principal Amount Outstanding of the Covered Bonds to be redeemed in whole or in part pursuant to Conditions 6.2 (*Redemption for taxation reasons*) or 6.6 (*Redemption due to illegality or invalidity*) or to be purchased and surrendered in whole or in part pursuant to Condition 6.10 (*Purchases*) of the Terms and Conditions (the "**Party A Early Redemption Amount**"); and
- (ii) Party B will pay to Party A an amount in Sterling equal to the Party A Early Redemption Amount, converted by reference to the Covered Bond Swap Rate.

To the extent that, in respect of any payments described in (i) and (ii) above, Party B makes only a partial payment (or fails to make a full payment) of the amount due to Party A under (ii) above, then Party A shall reduce its corresponding payment to Party B under (i) above by the same percentage reduction, and shall have no other obligation to Party B in respect of such payment. For the avoidance of doubt, an amount calculated pursuant to Section 6(e) of the Agreement will also be due between the parties as a result of such Early Termination Date but such amount shall be calculated after taking into account the payments described in (i) and (ii) above. In the event that Party B intends to make only a partial payment (or to fail to make a full payment) of any amount due to Party A, Party B shall provide Party A with at least two London Business Days' notice of such intention.

### 4. **Additional Provisions**

Party B, or the Cash Manager acting on Party B's behalf, shall notify Party A of the amount of principal payments to be made on the Covered Bonds on each Final Exchange Date (for purposes of calculating payment of any Final Exchange Amounts). Such notification may be made in respect of a Final Exchange Date by receipt by Party A of written confirmation from Party B, or the Cash Manager acting on Party B's behalf, of an irrevocable payment instruction to a bank from Party B to make a payment to Party A in an amount equal to an amount in Sterling corresponding to the Covered Bonds to be redeemed on such Final Exchange Date converted by Party B by reference to the Covered Bond Swap Rate on or prior to 5:00 p.m., London time, two London Business Days prior to such Final

Exchange Date (a "**Redemption Notice**", and the Sterling Amount specified in the written confirmation delivered to Party A, the "**Redemption Notice Amount**").

If Party A does not receive a Redemption Notice with respect to any Final Exchange Date, then the parties will not be required to pay any Final Exchange Amounts on such Final Exchange Date. In addition, if Party A does not receive a Redemption Notice confirming that the Covered Bonds are redeemable in full on the Final Maturity Date (and the Covered Bonds are not redeemed in full on or prior to the Extension Determination Date): (i) the Termination Date for this Transaction shall be deemed to be the Final Exchange Date in respect of which a Redemption Notice is given and, taking into account such Redemption Notice and each other Redemption Notice, the sum of all Redemption Notice Amounts equals the Party A Initial Exchange Amount 1; (ii) for the avoidance of doubt, Party A's obligation to pay the Party A Fixed Amounts shall cease as from the Final Maturity Date and Party A shall from (but excluding) such date be obliged to pay the Party A Floating Amounts to Party B, and Party B shall be obliged to continue to pay the Party B Floating Amounts; and (iii) the final Party A Calculation Period and the final Party B Calculation Period shall end on, but exclude, the Termination Date. Without prejudice to the generality of the above provisions, Party B, or the Cash Manager acting on Party B's behalf, shall notify Party A at least two London Business Days prior to the Final Maturity Date whether or not the Covered Bonds will be redeemed (in whole or in part) on the Final Maturity Date and, if they will not be, whether or not the Covered Bonds will be redeemed (in whole or in part) on or prior to the Extension Determination Date.

If on the Extended Due for Payment Date the Principal Amount Outstanding of the Covered Bonds has not been reduced to zero (whether by redemption or cancellation) then on the Extended Due for Payment Date:

- (i) Party B will pay to Party A an amount in Sterling equal to the amount to be applied on the Extended Due for Payment Date toward redemption of the Covered Bonds converted at the Covered Bond Swap Rate; and
- (ii) Party A will pay the Euro equivalent of the amount received from Party B, converted at the Covered Bond Swap Rate.

For purposes of calculating any amount due under Section 6(e) of the Agreement in respect of a Termination Event that occurs during the period from, but excluding, the Final Maturity Date to, and including, the Extension Determination Date, the Termination Date shall be deemed to be the Final Maturity Date, unless Party B or the Cash Manager has determined as of that date that Party B has insufficient funds to pay the Guaranteed Amounts, in which case the Termination Date shall be deemed to be the Extended Due for Payment Date (subject as provided above).

Party B agrees as soon as reasonably practicable after a Redemption Notice has been given to advise Party A by telephone (or email if provided in the notice details below) of the fact of such Redemption Notice; provided, however, that the failure by Party B, or the Cash Manager acting on Party B's behalf, to do so shall not affect the validity of any Redemption Notice under the Transaction evidenced by this Confirmation.

## 5. **Account Details**

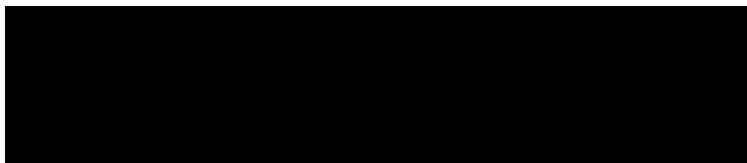
Payments to Party A in Sterling:	To be advised.
Payments to Party A in Euro:	To be advised.
Payments to Party B in Sterling:	To be advised.
Payments to Party B in Euro:	To be advised.

6. **Notice Details**

Party A:

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

Attention:

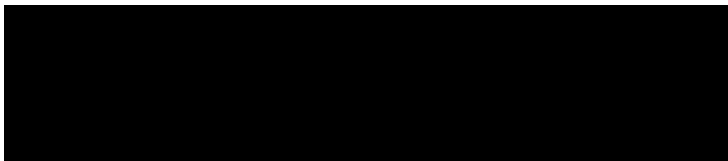


Email:

Party B:

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

Attention:



Email:

With a copy to the Security Trustee:

Address: 21 Moorfields  
London  
EC2Y 9DB

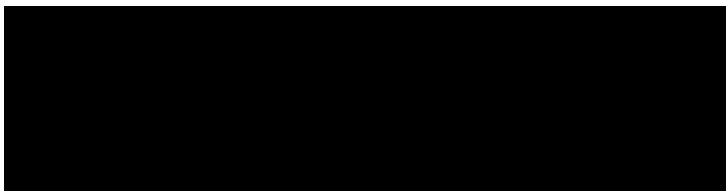
Attention:



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 email on the email listed below:

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

Attention:



Email:



## ANNEX

### SONIA Fallback Provisions

#### *Temporary Non-Publication of SONIA Index*

Subject to the below, if the SONIA Index is not published by the SONIA Administrator or an authorised distributor and is not otherwise provided by the SONIA Administrator or an authorised distributor by the SONIA Compounded Index Fixing Day or such other date on which the SONIA Index is required, then the level of the SONIA Index for such date will be determined by the Calculation Agent by reference to the last published level of the SONIA Index and the SONIA Index benchmark methodology published by the SONIA Administrator.

#### *An Index Cessation Effective Date – SONIA Compounded Index*

If an Index Cessation Event – SONIA Compounded Index occurs, the rate for a SONIA Compounded Index Fixing Day occurring on or after the Index Cessation Effective Date – SONIA Index will be the rate determined by the Calculation Agent by reference to the last published level of the SONIA Index, the SONIA Index benchmark methodology published by the SONIA Administrator and SONIA as provided by the SONIA Administrator for each day in respect of which SONIA is required by the Calculation Agent for that determination.

#### *Temporary Non-Publication of SONIA*

Subject to the below, in respect of any day for which SONIA is required by the Calculation Agent, if on the London Business Day immediately following such day, neither the SONIA Administrator nor an authorized distributor of SONIA has provided or published SONIA in respect of that day, SONIA for the purpose of the SONIA Index benchmark methodology will be the last provided or published SONIA.

#### *A SONIA Index Cessation Effective Date*

If a SONIA Index Cessation Event occurs, the rate for a SONIA Compounded Index Fixing Day occurring on or after the SONIA Index Cessation Effective Date will be the rate determined by the Calculation Agent by reference to the last published level of the SONIA Index and the SONIA Index benchmark methodology published by the SONIA Administrator as if references in that methodology to SONIA for each day in respect of which SONIA is required by the Calculation Agent for that determination were references to the GBP Recommended Rate in respect of the same day for which a rate for SONIA was required.

#### *Temporary Non-Publication of GBP Recommended Rate*

If there is a GBP Recommended Rate before the end of the first London Business Day following the SONIA Index Cessation Effective Date but neither the administrator nor authorized distributors provide or publish the GBP Recommended Rate, then, subject to the below, in respect of any day for which the GBP Recommended Rate is required, references to the GBP Recommended Rate will be deemed to be references to the last provided or published GBP Recommended Rate. However, if there is no last provided or published GBP Recommended Rate, then in respect of any day for which the GBP Recommended Rate is required, references to the GBP Recommended Rate will be deemed to be references to the last provided or published SONIA.

#### *No GBP Recommended Rate or GBP Recommended Rate Index Cessation Effective Date*

If:

- a) there is no GBP Recommended Rate before the end of the first London Business Day following the SONIA Index Cessation Effective Date; or

- b) there is a GBP Recommended Rate and a GBP Recommended Rate Index Cessation Effective Date subsequently occurs,

then the rate for a SONIA Compounded Index Fixing Day occurring on or after the SONIA Index Cessation Effective Date or the GBP Recommended Rate Index Cessation Effective Date (as applicable) will be determined by the Calculation Agent by reference to the last published level of the SONIA Index and the SONIA Index benchmark methodology published by the SONIA Administrator as if references in that methodology to SONIA for each day in respect of which SONIA is required by the Calculation Agent for that determination were references to the UK Bank Rate.

#### *UK Bank Rate*

In respect of any day for which the UK Bank Rate is required, references to the UK Bank Rate will be deemed to be references to the last provided or published UK Bank Rate as at close of business in London on that day.

#### *Definitions*

For these purposes:

**"Index Cessation Effective Date - SONIA Compounded Index"** means, in respect of the SONIA Index and an Index Cessation Event - SONIA Compounded Index, the first date on which the SONIA Index would ordinarily have been provided and is no longer provided;

**"Index Cessation Event - SONIA Compounded Index"** means, in respect of the SONIA Index:

- a) 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 the SONIA Index 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 Index; or
- b) a public statement or publication of information by the regulatory supervisor for the SONIA Administrator, the central bank for the currency of the SONIA Index, 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 Index 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 Index; and

**"SONIA Compounded Index Fixing Day"** means each Party B Reset Date (or any amended publication day for the SONIA Index, as specified by the SONIA Administrator in the SONIA Index benchmark methodology).

**"GBP Recommended Rate", "GBP Recommended Rate Index Cessation Effective Date", "GBP Recommended Rate Index Cessation Event", "SONIA Index Cessation Effective Date", "SONIA Index Cessation Event"** and **"UK Bank Rate"** have the meanings given to them in the Definitions.

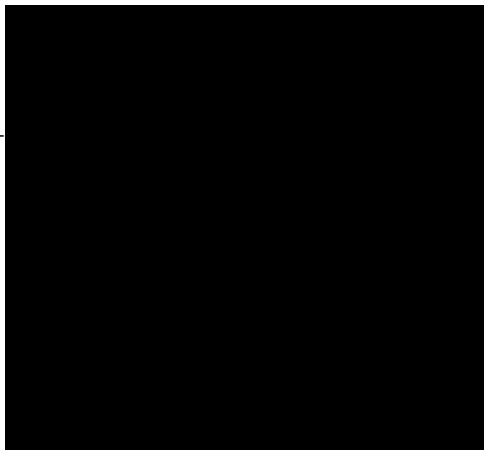
Yours faithfully,

**Santander UK plc**

By: \_\_\_\_\_

Name:

Title:



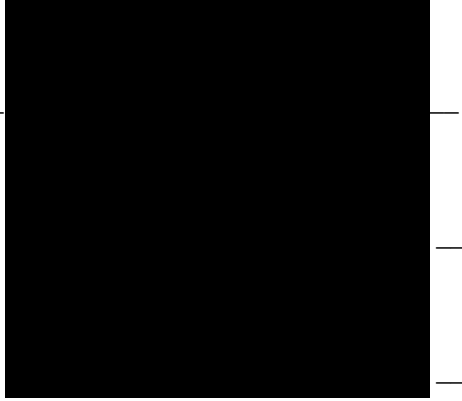
Confirmed and accepted as of the date first written:

**Abbey Covered Bonds LLP**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**Deutsche Trustee Company Limited**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_