

SUBSCRIPTION AGREEMENT

Abbey National Treasury Services plc

**Series 54 €50,000,000 2.50% Covered Bonds due 2025 (XS0962577168)  
unconditionally guaranteed by Santander UK plc and  
irrevocably and unconditionally guaranteed as to payment of principal and interest by  
Abbey Covered Bonds LLP  
under the €35 billion  
Global Covered Bond Programme**

20 August 2013

To: UniCredit Bank AG (the "**Lead Manager**")

cc: Deutsche Trustee Company Limited as Bond Trustee and as Security Trustee  
Deutsche Bank AG, London Branch as Principal Paying Agent

Dear Sirs,

Abbey National Treasury Services plc (the "**Issuer**") proposes to issue Series 54 €50,000,000 2.50% Covered Bonds due 2025 (XS0962577168) (the "**Covered Bonds**") under the €35 billion Global Covered Bond Programme established by it. The Covered Bonds will be unconditionally and irrevocably guaranteed by Santander UK plc ("**Group Guarantor**") and unconditionally and irrevocably guaranteed as to payments of interest and principal by Abbey Covered Bonds LLP (the "**LLP**" and, together with the Group Guarantor, the "**Guarantors**"). The terms of the issue shall be as set out in the form of Final Terms Document attached to this Agreement as Annex 1.

This Agreement is supplemental to the Programme Agreement (the "**Programme Agreement**") dated 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 9 September 2010, 9 September 2011 and 12 July 2013, made between the Issuer, the Guarantors and the Dealers party thereto. All terms with initial capitals used herein without definition have the meanings given to them in the Programme Agreement.

We wish to record the arrangements agreed between us in relation to the issue:

1. This Agreement appoints the Lead Manager which is not a party to the Programme Agreement (a "**New Dealer**") as a New Dealer in accordance with the provisions of Clause 12 of the Programme Agreement for the purposes of the issue of the Covered Bonds. The New Dealer confirms that it is in receipt of the documents referenced below:
  - 1.1. a copy of the Programme Agreement; and
  - 1.2. a copy of such of the documents delivered under Appendix 1 of the Programme Agreement as it has requested and finds the same to be satisfactory or (in the case of any or all of such documents) has waived such delivery.

For the purposes of the Programme Agreement the details of the Lead Manager for service of notices are as follows:

**UniCredit Bank AG**

Address: Arabellastrasse 12  
D-81925 Munich  
Germany

Telephone: +49 89 378 14423  
Fax: +49 89 378 33 15964  
Attention: Debt Capital Markets Legal – LCI4DC

In consideration of the Issuer appointing the New Dealer as a Dealer in respect of the Covered Bonds under the Programme Agreement, the New Dealer hereby undertakes, for the benefit of the Issuer, the Guarantors and the Dealers, that, in relation to the issue of the Covered Bonds, it will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement, a copy of which it acknowledges it has received from the Issuer. The Issuer and each of the Guarantors confirm that the New Dealer shall be vested with all authority, rights, powers, duties and obligations of a Dealer in relation to the issue of the Covered Bonds as if originally named as a Dealer under the Programme Agreement **provided that** following the Issue Date of the Covered Bonds the New Dealer shall have no further such authority, rights, powers, duties or obligations except for any which have accrued or been incurred prior to, or in connection with, the issue of the Covered Bonds.

2. Subject to the terms and conditions of the Programme Agreement and this Agreement the Issuer agrees to issue the Covered Bonds and the Lead Manager agrees to purchase the Covered Bonds at a price of 100 per cent. of the principal amount of the Covered Bonds (the "**Purchase Price**").
3. For the purposes of this Agreement:
  - 3.1. the sum payable on the Issue Date shall be €50,000,000.00, representing the Purchase Price less any amount payable in respect of the Lead Manager's expenses as set out in Clause 4 of this Agreement;
  - 3.2. "**Issue Date**" means 10:00 a.m. (London time) on 21 August 2013 or such other time and/or date as the Issuer and the Lead Manager may agree;
  - 3.3. "**Payment Instruction Date**" means the Issue Date;
4. The Issuer shall bear the reasonable costs and expenses set out below in connection with the issue of the Covered Bonds (inclusive of applicable VAT and disbursements, if any):
  - 4.1. the fees and expenses of its own legal advisers and those of the Lead Manager;
  - 4.2. the fees and expenses incurred or payable in connection with the listing of the Covered Bonds on the Official List of the UK Listing Authority and admission to trading on the regulated market of the London Stock Exchange plc;
  - 4.3. the fees and expenses (if any) of the Principal Paying Agent or any other Agent appointed in respect of the Covered Bonds, including the fees and expenses (if any) relating to the printing and delivery of the Covered Bonds;
  - 4.4. the fees and expenses of the Issuer's auditors;

- 4.5. the fees and expenses of the Rating Agencies; and
- 4.6. the fees and expenses of the Bond Trustee and Security Trustee (if any).
5. The obligation of the Lead Manager to purchase the Covered Bonds is conditional upon:
  - 5.1. the conditions set out in Clause 3.2 (other than that set out in Clause 3.2(i)) of the Programme Agreement being satisfied as of the Payment Instruction Date;
  - 5.2. all of the applicable Transaction Documents being in full force and effect; and
  - 5.3. the delivery to the Lead Manager on the Payment Instruction Date of:
    - 5.3.1. a certificate dated the Payment Instruction Date signed by a duly authorised officer of the Issuer and a certificate dated the Payment Instruction Date signed by a duly authorised officer of each of the Guarantors giving confirmation of the conditions described in Clause 5.1 of this Agreement;
    - 5.3.2. receipt of notification from Fitch, Moody's and S&P that the ratings for the Covered Bonds described in the Prospectus have been assigned either without conditions or subject only to the execution and delivery on or before the Issue Date of the agreements contemplated herein;
    - 5.3.3. (i) the Issuer having furnished or caused to be furnished to the Lead Manager, the Bond Trustee and the Security Trustee at the Issue Date a solvency certificate, dated the Issue Date, of a duly authorised director of the Issuer in the agreed form; (ii) the LLP having furnished or caused to be furnished to the Lead Manager, the Bond Trustee and the Security Trustee a solvency certificate dated the Issue Date of a duly authorised officer of the LLP in the agreed form and (iii) the relevant Seller having furnished or caused to be furnished to the Lead Manager, the Bond Trustee and the Security Trustee and the Security Trustee a solvency certificate, dated the Issue Date, of a duly authorised officer of the relevant Seller in the agreed form;
    - 5.3.4. legal opinions addressed to the Lead Manager dated the Payment Instruction Date in such form and with such contents as the Lead Manager may reasonably require from Clifford Chance LLP as to English law, from Elliot Duffy Garrett as to Northern Irish law and from Tods Murray LLP as to Scots law;
    - 5.3.5. confirmation from the Issuer that it has provided the FCA with the series issuance notification form pursuant to RCB 3.4.1D of the RCB Sourcebook; and
    - 5.3.6. such other conditions precedent as the Lead Manager and the Issuer may agree from time to time.

If any of the foregoing conditions is not satisfied on or before the Payment Instruction Date, this Agreement shall terminate on that date and the parties to this Agreement shall be under no further liability arising out of this Agreement (except for any liability of the Issuer or failing the Issuer, the Guarantors in relation to expenses as provided in the agreement referred to in Clause 4 and except for any liability arising before or in relation to termination), **provided that** the Lead Manager may in its discretion waive any of the aforesaid conditions (other than the

conditions precedent contained in Clause 3.2(c) and (d) of the Programme Agreement) or any part of them.

- 6. The Lead Manager may, by notice to the Issuer and the Guarantors, terminate this Agreement at any time prior to payment of the net purchase money to the Issuer if in the professional opinion of the Lead Manager (after consultation with the Issuer and the Guarantors where practicable) there shall have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the offering and distribution of the Covered Bonds or dealings in the Covered Bonds in the secondary market and, upon notice being given, the parties to this Agreement shall (except for any liability of the Issuer or failing the Issuer, the Guarantors in relation to expenses as provided in the agreement referred to in Clause 4 of this Agreement and except for any liability arising before or in relation to termination) be released and discharged from their respective obligations under this Agreement.
- 7. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
- 8. This Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by, and construed in accordance with, the laws of England.
- 9. This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

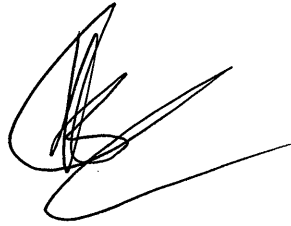
Please confirm that this letter correctly sets out the arrangements agreed between us.

Yours faithfully,

**SIGNED** by )  
**ABBEY NATIONAL TREASURY** )  
**SERVICES PLC** )  
 acting by its attorney )



**SIGNED** by )  
**ABBEY COVERED BONDS LLP** )  
 acting by its attorney )

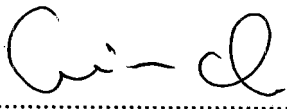


**SIGNED** by )  
**SANTANDER UK PLC** )  
 acting by its attorney )

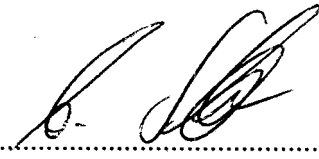


We confirm that this letter correctly sets out the arrangements agreed between us.

UNICREDIT BANK AG

By:  .....

**Claus Fincke**

By:  .....

**Adrian Schäfer**

**ANNEX 1**  
**TO THE SUBSCRIPTION AGREEMENT**  
**FINAL TERMS DOCUMENT**

## FINAL TERMS DOCUMENT

20 August 2013

### Abbey National Treasury Services plc

**Issue of €50,000,000 Fixed Rate Covered Bonds due 2025 (XS0962577168)  
unconditionally guaranteed by Santander UK plc and  
irrevocably and unconditionally guaranteed as to payment of principal and interest by  
Abbey Covered Bonds LLP  
under the €35 billion  
Global Covered Bond Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 12 July 2013 and the supplemental prospectus dated 20 August 2013 (the "**Supplemental Prospectus**") which together constitute a base prospectus for the purposes of the Prospectus Directive (2003/71/EC) (as amended, which includes amendments made by Directive 2010/73/EU to the effect that such amendments have been implemented in a relevant Member State) (the "**Prospectus Directive**"). This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus, as so supplemented. Full information on the Issuer, the Group Guarantor and the LLP and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms Document and the Prospectus, as so supplemented. Copies of the Prospectus and the Supplemental Prospectus are available free of charge to the public at the registered office of the Issuer and from the specified office of each of the Paying Agents.

1. (a) Issuer: Abbey National Treasury Services plc
- (b) Guarantors: Santander UK plc and Abbey Covered Bonds LLP
2. (a) Series Number: 54
- (b) Tranche Number: 1
- (c) Series which Covered Bonds will be consolidated and form a single Series with: Not Applicable
- (d) Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: Not Applicable
3. Specified Currency or Currencies: Euro ("EUR" or "€")
4. Money Market Covered Bonds: No

5. Do the Covered Bonds have the benefit of remarketing arrangements: No
6. Aggregate Nominal Amount of Covered Bonds admitted to trading:
- (a) Series: €50,000,000
- (b) Tranche: €50,000,000
7. Issue Price: 100% of the aggregate nominal amount
8. (a) Specified Denominations: €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Covered Bonds in definitive form will be issued with a denomination above €199,000.
- (b) Calculation Amount: €1,000
9. (a) Issue Date: 21 August 2013
- (b) Interest Commencement Date: Issue Date
10. (a) Final Maturity Date: 21 August 2025
- (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: 21 August 2026
11. Interest Basis: 2.50 per cent. Fixed Rate
12. Redemption/Payment Basis: Redemption at par
13. Change of Interest Basis or Redemption/Payment Basis: Not Applicable
14. Put/Call Options: Not applicable
15. (a) Status of the Covered Bonds: Senior
- (b) Status of the Guarantees: Senior
16. Method of distribution: Non-syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

17. Fixed Rate Covered Bond Provisions: Applicable
- (a) Rate(s) of Interest: 2.50 per cent. per annum payable annually



- (b) Interest Payment Date(s): 21 August in each year up to and including the Final Maturity Date or the Extended Due for Payment Date, if applicable
- (c) Business Day Convention: Modified Following Business Day Convention
- (d) Business Day(s): London
- Additional Business Centre(s): A day on which TARGET2 System is open
- (e) Fixed Coupon Amount(s): EUR 25.00 per Calculation Amount
- (f) Broken Amount(s): Not Applicable
- (g) Day Count Fraction: Actual/Actual (ICMA) (not adjusted)
- (h) Determination Date(s): 21 August in each year
18. Floating Rate Covered Bond Provisions: Not Applicable
19. Zero Coupon Covered Bond Provisions: Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

20. Issuer Call: Not Applicable
21. Investor Put: Not Applicable
22. Final Redemption Amount of each Covered Bond: €1,000 per Calculation Amount
23. Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons or on event of default, etc. and/or the method of calculating the same (if required): As set out in Condition 6.8(a)

#### **GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

24. Form of Covered Bonds: Bearer Covered Bonds:  
Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds only upon an Exchange Event
25. New Global Covered Bond: Yes

- |     |  |                |
|-----|--|----------------|
| 26. | Financial Centre(s):   | Not Applicable |
| 27. | Talons for future Coupons or Receipts to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature):   | No             |
| 28. | Details relating to Partly Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: | Not Applicable |
| 29. | Details relating to Instalment Covered Bonds:  |                |
|     | (a) Instalment Amount(s):  | Not Applicable |
|     | (b) Instalment Date(s):  | Not Applicable |
| 30. | Redenomination renominatisation and reconventioning provisions:  | Not Applicable |
| 31. | Post-perfection SVR-LIBOR Margin:  | 2.95 per cent. |

## **DISTRIBUTION**

- |     |                            |  |
|-----|----------------------------|--|
| 32. | U.S. Selling Restrictions: | Reg. S Compliance Category 2. TEFRA D applicable |
|-----|----------------------------|--|

## **PURPOSE OF FINAL TERMS DOCUMENT**

This Final Terms Document comprises the final terms required for issue and admission to trading on the London Stock Exchange's Regulated Market of the Covered Bonds described herein pursuant to the €35 billion Global Covered Bond Programme of Abbey National Treasury Services plc.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING:

- (a) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's Regulated Market with effect from the Issue Date
- (b) Estimate of total expenses related to admission to trading: £3,240

### 2. RATINGS:

Ratings: The Covered Bonds to be issued have been rated:

S & P: AAA/Stable

Moody's: Aaa

Fitch: AAA

### 3. COVERED BOND SWAP:

Covered Bond Swap Provider: Abbey National Treasury Services Plc

Nature of Covered Bond Swap: Non-Forward Starting

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

Save as discussed in *Subscription and Sale and Transfer and Selling Restrictions*, so far as the Issuer, the Group Guarantor and the LLP are aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Dealer and its affiliates have engaged and may in the future engage in investment banking and/or commercial banking transactions with and may perform other services for the Issuer and/or the Group Guarantor and/or the LLP and/or their affiliates in the ordinary course of business.

### 5. YIELD:

Indication of yield: 2.50 per cent. calculated on an annual basis

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **TRADEABLE AMOUNTS:**

So long as the Covered Bonds are represented by a Global Covered Bond and Euroclear Bank S.A and Clearstream Banking, *société anonyme* so permit, the Global Covered Bond shall be tradeable in minimum principal amounts of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 (the "**Tradeable Amount**") in addition thereto.

7. **OPERATIONAL INFORMATION:**

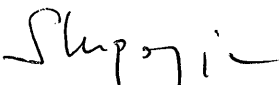
- (a) ISIN Code: XS0962577168
- (b) Common Code: 096257716
- (c) Delivery: Delivery against payment

Name and address of Initial Paying Agent(s): Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

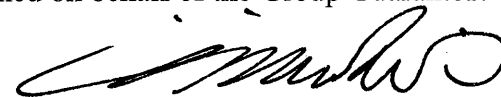
Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: Yes


Signed on behalf of the Issuer:

By:   
*Duly authorised*

Signed on behalf of the Group Guarantor:

By:   
*Duly authorised*

Signed on behalf of the LLP:

By:   
*Duly authorised*