

**EXECUTION VERSION**

# **SIXTH AMENDED AND RESTATED PROGRAMME AGREEMENT**

**1 JUNE 2016**

**SANTANDER UK PLC  
as Issuer, Seller and Arranger**

**ABBEY COVERED BONDS LLP  
the LLP**

**and**

**BANCO SANTANDER, S.A.**

**BARCLAYS BANK PLC**

**BNP PARIBAS**

**COMMERZBANK AKTIENGESELLSCHAFT**

**DEUTSCHE BANK AG, LONDON BRANCH**

**HSBC BANK PLC**

**NATIXIS**

**SOCIÉTÉ GÉNÉRALE**

**UBS LIMITED**

**UNICREDIT BANK AG**

**as Dealers**

**€35,000,000,000  
COVERED BOND PROGRAMME**

**ALLEN & OVERY**

**Allen & Overy LLP**

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**THIS AMENDED AND RESTATED PROGRAMME AGREEMENT** is dated 1 June 2016

**BETWEEN:**

- (1) **SANTANDER UK PLC**, (formerly Abbey National plc) (registered number 2294747), a public limited company incorporated under the laws of England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (acting in its capacities as the **Issuer**, the **Seller** and the **Arranger**);
- (2) **ABBEY COVERED BONDS LLP**, (registered number OC312644), a limited liability partnership established under the laws of England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3 AN (acting in its capacity as a guarantor as to payments of interest and principal under the Covered Bonds, the **LLP**); and
- (3) **BANCO SANTANDER, S.A., BARCLAYS BANK PLC, BNP PARIBAS, COMMERZBANK AKTIENGESELLSCHAFT, DEUTSCHE BANK AG, LONDON BRANCH, HSBC BANK PLC, NATIXIS, SOCIÉTÉ GÉNÉRALE, UBS LIMITED AND UNICREDIT BANK AG** (each as a Dealer and together with the Arranger, the **Dealers**).

**WHEREAS:**

- (A) This Agreement amends and restates the Programme Agreement (the **Original Programme Agreement**) dated 3 June 2005 as amended by the Amended and Restated Programme Agreement dated 4 October 2007 (the **First Amended and Restated Programme Agreement**), the Amended and Restated Programme Agreement dated 20 May 2008 (the **Second Amended and Restated Programme Agreement**), the Amended and Restated Programme Agreement dated 9 September 2010 (the **Third Amended and Restated Programme Agreement**), the Amended and Restated Programme Agreement dated 9 September 2011 (the **Fourth Amended and Restated Programme Agreement**) and the Amended and Restated Programme Agreement dated 12 July 2013 (the **Fifth Amended and Restated Programme Agreement**) between, *inter alios*, the parties hereto in respect of the Programme.
- (B) Pursuant to a deed of substitution, novation and amendment dated 26 April 2016 between, among others, the parties to this Agreement, Santander UK plc assumed all the rights and obligations of Abbey National Treasury Services plc as principal obligor and issuer under the Programme, including under this Programme Agreement, the Trust Deed and all other Transaction Documents and in respect of all Series of Covered Bonds issued and to be issued, and replaced Abbey National Treasury Services plc as principal obligor and issuer under the Programme.
- (C) The parties have agreed that Santander UK plc will succeed Abbey National Treasury Services plc as Arranger.
- (D) The parties to this Agreement have agreed to amend and restate the Programme Agreement on the terms set out in this Agreement.

**IT IS AGREED:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 The master definitions and construction agreement made between, *inter alios*, the Arranger, the LLP, the Bond Trustee and the Security Trustee on 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 24 December 2012, 12 July 2013, 23 June 2015 and the date hereof (as the same may be further amended, restated, varied and/or

supplemented from time to time, the **Master Definitions and Construction Agreement**) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Agreement shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement and this Agreement shall be construed in accordance with the interpretation provisions set out in clause 2 of the Master Definitions and Construction Agreement.

- 1.2 This Agreement amends and restates the Original Programme Agreement (as amended by the First Amended and Restated Programme Agreement, the Second Amended and Restated Programme Agreement, the Third Amended and Restated Programme Agreement, the Fourth Amended and Restated Programme Agreement and the Fifth Amended and Restated Programme Agreement) with effect on and from the date of this Agreement. This Agreement shall only apply to the issue of any Covered Bonds under the Programme on or after the date hereof.

## **2. AGREEMENTS TO ISSUE AND PURCHASE COVERED BONDS**

- 2.1 Subject to the terms and conditions of this Agreement, the Issuer may from time to time agree with any Dealer to issue, and any Dealer may agree to purchase, Covered Bonds.

- 2.2 Unless otherwise agreed between the parties, on each occasion on which the Issuer and any Dealer agree on the terms of the issue by the Issuer and purchase by the Dealer of one or more Covered Bonds:

- (a) the Issuer shall cause the Covered Bonds, which, in the case of Bearer Covered Bonds, shall be initially represented by a Temporary Global Covered Bond or a Permanent Global Covered Bond, and, in the case of Registered Covered Bonds, shall be initially represented by a Regulation S Global Covered Bond or a Rule 144A Global Covered Bond, as indicated in the applicable Final Terms Document, to be issued and delivered on the agreed Issue Date:
  - (i) in the case of a Temporary Global Covered Bond or a Permanent Global Covered Bond, (A) if the Covered Bonds are CGCBs, to the Common Depositary for Euroclear and Clearstream, Luxembourg or (B) if the Covered Bonds are NGCBs, to the Common Safekeeper; and
  - (ii) in the case of a Regulation S Global Covered Bond or a Rule 144A Global Covered Bond, either to the Common Depositary for Euroclear and Clearstream, Luxembourg or to a custodian for DTC, as specified in the applicable Final Terms Document;
- (b) the securities account(s) of the relevant Dealer with Euroclear and/or Clearstream, Luxembourg and/or DTC (as specified by the relevant Dealer) will be credited with the Covered Bonds on the agreed Issue Date; and
- (c) the relevant Dealer or, as the case may be, the Lead Manager shall, subject to the Covered Bonds being so credited, cause the net purchase moneys for the Covered Bonds to be paid in the relevant currency by transfer of funds to the designated account of:
  - (i) in the case of Bearer Covered Bonds, the Principal Paying Agent or (in the case of syndicated issues) the designated account of the Issuer; or
  - (ii) in the case of Registered Covered Bonds, the Closing Bank,

so that the payment is credited to that account for value on the relevant Issue Date.

- 2.3 Unless otherwise agreed between the Issuer and the relevant Dealer, where more than one Dealer has agreed with the Issuer to purchase a particular Tranche of Covered Bonds under this Clause, the obligations of those Dealers to purchase such Covered Bonds shall be joint and several.
- 2.4 Where the Issuer agrees with two or more Dealers to issue, and those Dealers agree to purchase, Covered Bonds on a syndicated basis, the Issuer and the LLP shall enter into a Subscription Agreement with those Dealers. The Issuer and the LLP may also enter into a Subscription Agreement with one Dealer only.
- 2.5 In connection with the offer and sale of Rule 144A Covered Bonds:
- (a) The Issuer shall endeavour to provide any Final Terms Document at or prior to the Applicable Time.
  - (b) If a Final Terms Document has not been prepared by or on behalf of the Issuer at or prior to the Applicable Time, the Issuer shall prepare a Pricing Supplement at or prior to the Applicable Time, which includes such pricing and other necessary information (including, without limitation and if appropriate, financial or other disclosure relating to the Issuer) substantially in the form of Appendix 7. If a Subscription Agreement is entered into in connection with the issue of Rule 144A Covered Bonds, the related Pricing Supplement shall be attached, or shall be deemed to be attached thereto. Pricing and other information will also (or alternatively, if a Final Terms Document is provided prior to the Time of Sale, as contemplated by paragraph (c) of Clause 2.5) be set forth in a Final Terms Document or in such other form as may be approved at that time by the London Stock Exchange or other applicable stock exchange. Subject to preparation of the Pricing Supplement at or prior to the Applicable Time, the Prospectus and the Pricing Supplement will be made available by the applicable Dealer(s), or will be otherwise conveyed to the purchasers of such Covered Bonds from the Dealer(s), at or prior to the Time of Sale.
  - (c) If a Final Terms Document has been prepared by or on behalf of the Issuer at or prior to the Applicable Time, the applicable Dealer(s) will make such Final Terms Document available to purchasers of the Covered Bonds from the Dealer(s) at or prior to the Time of Sale, and the Issuer will not be obliged to provide any Pricing Supplement relating to such Covered Bonds. Whenever a Subscription Agreement is entered into in connection with a specific issuance of Rule 144A Covered Bonds, the Final Terms Document may, but need not be, attached thereto.
  - (d) Sales of Rule 144A Covered Bonds shall not be consummated by the applicable Dealer(s) with their customers prior to the Time of Sale.
  - (e) It is agreed by the parties hereto that none of the Issuer, the LLP or any Dealer(s) shall communicate to proposed purchasers of Rule 144A Covered Bonds any offering materials (which, for the avoidance of doubt, shall not include Bloomberg and other routine communications by a Dealer to prospective purchasers in connection with a new issue) other than the Prospectus, any Issuer Written Information (as defined in the relevant Subscription Agreement) and any relevant Pricing Supplement and/or Final Terms Document, as applicable, without prior notification to and written approval from such other party or parties.
- 2.6 For the purposes of this Agreement:

**Applicable Time** shall be a time prior to the Time of Sale such that the Dealer(s) can convey any Pricing Supplement or the Final Terms Document in relation to the issue and sale of Rule 144A Covered Bonds to the purchasers thereof at or prior to the Time of Sale.

**Disclosure Documents** means, in relation to an issue of Covered Bonds, the Final Terms Document, the Prospectus, any Issuer Written Information and, if applicable, any relevant Pricing Supplement.

**FCA** means the Financial Conduct Authority.

**Issuer Written Information** means any written information in addition to the Final Terms Document, Prospectus or Pricing Supplement that the Issuer and the relevant Dealers expressly agree to treat as part of the Disclosure Documents as set forth in the relevant Subscription Agreement.

**Time of Sale** shall be the time specified in the relevant Subscription Agreement or as may otherwise be agreed between the parties.

- 2.7 Each of the parties hereto acknowledges that any issue of Covered Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply may only be issued in circumstances which comply with those laws, guidelines, regulations, restrictions or reporting requirements from time to time. Each of the parties hereto further acknowledges that the minimum denomination of Covered Bonds issued under the Programme shall be €100,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency) or such higher amount as may be agreed between the Issuer and the relevant Dealers, or as is required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
- 2.8 Each Dealer acknowledges that the Issuer may sell Covered Bonds to any institution which has not become a Dealer pursuant to Clause 12. The Issuer undertakes to each of the Dealers that it will, in relation to any such sales, comply with the restrictions and agreements set out in Appendix 2 as if it were a Dealer.

### **3. CONDITIONS OF ISSUE**

#### **3.1 First issue**

On or before the date of this Agreement, each Dealer has received, and found satisfactory (in its reasonable opinion), all of the documents and confirmations described in Part 1 of the Initial Documentation List.

#### **3.2 Each issue**

The obligations of a Dealer under any agreement for the issue and purchase of Covered Bonds made under Clause 2 are conditional on:

- (a) there having been, as at the proposed Issue Date, no material adverse change from the position set forth in the Disclosure Documents as at the relevant Agreement Date in the consolidated condition (financial or otherwise) of either the Issuer or the LLP nor the occurrence of any event making any of the representations and warranties in Clause 4 untrue or incorrect to an extent which is material in the context of the issue and offering of the Covered Bonds;
- (b) there being no outstanding breach of any of the obligations of either the Issuer or the LLP under any of the Transaction Documents or any Covered Bonds which is material in the context of the issue of the Covered Bonds which are the subject of such agreement and which has not been waived by the relevant Dealer on or prior to the proposed Issue Date;
- (c) subject to Clause 14, the aggregate nominal amount of the Covered Bonds to be issued, when added to the aggregate nominal amount of all Covered Bonds outstanding on the

proposed Issue Date (excluding for this purpose Covered Bonds due to be redeemed on the Issue Date) not exceeding €35 billion or its equivalent in other currencies as determined pursuant to Clause 3.4;

- (d) the Issuer having notified the FCA of the proposed issue of Covered Bonds in accordance with the RCB Regulations and/or the RCB Sourcebook;
- (e) in the case of Covered Bonds which are intended to be listed or admitted to trading, the relevant authority or authorities having agreed to list the Covered Bonds or admit the Covered Bonds to trading, as the case may be, subject only to the issue of the relevant Covered Bonds;
- (f) no meeting of the holders of Covered Bonds (or any of them), called to consider matters which might in the opinion of the relevant Dealer be material in the context of the proposed issue and purchase of the Covered Bonds, having been duly convened but not yet held or, if held but adjourned, the adjourned meeting having not been held and the Issuer not being aware of any circumstances which are likely to lead to the convening of such a meeting;
- (g) there being in full force and effect all governmental or regulatory resolutions, approvals or consents required for the Issuer to issue the Covered Bonds and the LLP to guarantee the Covered Bonds on the proposed Issue Date and for the Issuer and the LLP to fulfil their obligations under the Covered Bonds and the Covered Bond Guarantee, respectively;
- (h) there having been, between the Agreement Date and the Issue Date, no downgrading in the ratings of any of the Issuer's unsecured, unsubordinated, long term debt by S&P, Moody's or Fitch and neither the Issuer nor the LLP have received any notice of any intended downgrading in the ratings accorded to the Issuer's unsecured, unsubordinated, long term debt by S&P, Moody's or Fitch;
- (i) there having been, between the Agreement Date and the Issue Date for the Covered Bonds, in the professional opinion of the relevant Dealer (after consultation with the Issuer and the LLP, if reasonably practicable), no such 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 or sale of the Covered Bonds proposed to be issued;
- (j) the forms of the Final Terms Document, the applicable Global Covered Bonds, Definitive Covered Bonds and Receipts, Coupons or Talons (each as applicable) in relation to the relevant Tranche and the relevant settlement procedures having been agreed by the Issuer, the relevant Dealer, the Bond Trustee and the Principal Paying Agent and, if applicable, the Registrar;
- (k) in respect of the currency in which the Covered Bonds are to be denominated, such currency being accepted for settlement by Euroclear and Clearstream, Luxembourg and/or DTC, as applicable;
- (l) in the case of Covered Bonds to be cleared and settled through DTC, such Covered Bonds being eligible for clearance and settlement through DTC;
- (m) as applicable, the delivery to the Common Depository or the custodian for DTC of the Regulation S Global Covered Bond and/or the Rule 144A Global Covered Bond representing the relevant Registered Covered Bonds and/or the delivery to the Common Depository or, as the case may be, the Common Safekeeper of the Temporary Global

Covered Bond and/or the Permanent Global Covered Bond representing the relevant Bearer Covered Bonds, in each case as provided in the Agency Agreement;

- (n) in the case of Covered Bonds that are NGCBs, the Principal Paying Agent making the actual instruction to the Common Safekeeper to effectuate each relevant NGCB under the Programme;
- (o) any calculations or determinations which are required by the relevant Terms and Conditions to have been made prior to the Issue Date having been duly made;
- (p) any New Secured Creditor on the proposed Issue Date acceding to the Deed of Charge, by delivering a duly executed Accession Undertaking (in the form or substantially in the form set out in Schedule 2 (Accession Undertaking) of the Deed of Charge); and
- (q) the LLP, the Security Trustee and the relevant Covered Bond Swap Provider(s) on the proposed Issue Date entering into Covered Bond Swap Agreement(s), in relation to the relevant Covered Bonds.

In the event that any of the above conditions is not satisfied, the relevant Dealer shall be entitled (but not bound), after consultation with the Issuer and the LLP, by notice to the Issuer to be released and discharged from its obligations under the agreement reached under Clause 2.

### **3.3 Waiver**

Any Dealer, on behalf of itself only, may by notice in writing to the Issuer and the LLP waive any of the conditions precedent contained in Clause 3.2 (save for the conditions precedent contained in paragraphs (c) and (d) of Clause 3.2 above) in so far as they relate to an issue of Covered Bonds to that Dealer.

### **3.4 Determination of amounts outstanding**

For the purposes of paragraph (c) of Clause 3.2:

- (a) the euro equivalent of Covered Bonds denominated in a currency other than euro (as specified in the relevant Final Terms Document) shall be determined, at the discretion of the Issuer, either as of the Agreement Date for those Covered Bonds or on the preceding day to such Agreement Date on which commercial banks and foreign exchange markets are open for general business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of that Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;
- (b) the euro equivalent of Instalment Covered Bonds and Partly Paid Covered Bonds shall be calculated in the manner specified above by reference to the original nominal amount on issue of those Covered Bonds; and
- (c) the euro equivalent of Zero Coupon Covered Bonds or other Covered Bonds issued at a discount or a premium shall be calculated in the manner set out above by reference to the net proceeds received by the Issuer for the relevant issue.

### **3.5 Updating of legal opinions**

Before the first issue of Covered Bonds after each update of the Prospectus after the date of this Agreement in accordance with Clause 5.2 below and (after consultation with the Bond Trustee and



the Security Trustee) on such other occasions as a Dealer so requests the Issuer in connection with any agreement made or proposed to be made under Clause 2 above (on the basis that such Dealer, the Bond Trustee and the Security Trustee each reasonably considers it prudent in view of a change (or proposed change) in applicable law affecting the Issuer, the LLP, the Covered Bonds, the Transaction Documents, or in relation to an issue of Covered Bonds, a Dealer, the Bond Trustee and the Security Trustee have other reasonable grounds for the issue of a further legal opinion), the Issuer will, at its expense, procure that a further legal opinion is delivered to the Dealers and to the Bond Trustee and the Security Trustee. If at or prior to any Agreement Date such request is made with respect to the Covered Bonds to be issued, the receipt of such opinion in a form satisfactory to a particular Dealer shall be a further condition precedent to the issue of Covered Bonds to that Dealer.

#### **4. REPRESENTATIONS AND WARRANTIES**

4.1 As at the date of this Agreement, as at the Agreement Date for the issue of Covered Bonds in relation to that issue (such agreement to issue and purchase Covered Bonds pursuant to Clause 2 above being deemed to have been made on the basis of, and in reliance on, the following provisions of this Clause 4.1), as of the Time of Sale (in respect of Rule 144A Covered Bonds only) and as of any time that the Prospectus is amended or supplemented (each of the times mentioned being a **Representation Date**) the Issuer as to itself represents and warrants to and for the benefit of each Dealer as follows:

- (a) that the Issuer has complied (or will, prior to the time that the Covered Bonds are admitted to the Official List, have complied) with the requirements mentioned in Part VI of the FSMA and that in particular the Prospectus, together with the applicable Final Terms Document each contains all the information required by Section 87A of the FSMA and contains all the information specified by the Prospectus Rules as a condition of the admission of any Covered Bonds for listing and in all other respects complies with the Prospectus Rules, that the Disclosure Documents do not contain an untrue statement of material fact or omit to state a material fact that is necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and, in the context of the issue of the Covered Bonds, that to the best of the knowledge and belief of the Issuer there are no other material facts the omission of which would make the Disclosure Documents as a whole or any information contained in each thereof misleading in any material respect or in the context in which they appear and that the Issuer has made all reasonable enquiries to ascertain all facts material for the purpose aforesaid;
- (b) with effect on and from the date on which the Issuer is admitted to register of issuers pursuant to Regulation 14 of the RCB Regulations, that the Issuer has complied with all of its obligations under the RCB Regulations and/or the RCB Sourcebook at such time and in such manner as required by the RCB Regulations and/or the RCB Sourcebook (including, but not limited to, its obligations to provide notice to the FCA in certain circumstances and its obligations in respect of annual confirmations (pursuant to RCB 3.2.1D of the RCB Sourcebook) and asset pool notifications (pursuant to RCB 3.3.1D of the RCB Sourcebook));
- (c) that the Issuer is duly incorporated as a public limited company under the Companies Act and is validly existing as a company within the meaning of the Companies Act and the Issuer has all corporate power and authority to own its properties and to conduct its business as described in the Prospectus and to execute and perform its obligations under the Transaction Documents to which it is a party;
- (d) that the creation of the Covered Bonds, their authentication, issue and offer on and subject to the terms and conditions of this Agreement, and the execution of the other Transaction Documents to which it is a party and the performance and compliance with the terms thereof;

- (i) will not infringe any existing English, Northern Irish or Scottish law or regulation or any consent, approval or authorisation referred to in (g) below and are not contrary to the provisions of the Memorandum and Articles of Association of the Issuer; and
- (ii) will not infringe the terms of, or constitute a default under, or call for the creation of a mortgage, lien, pledge, charge or other similar encumbrance under, any trust deed, agreement or other instrument or obligation to which the Issuer is a party or by which it is bound or to which its assets are subject, which infringement, default or call is material in the context of the Programme or the issue of any Covered Bonds,

and that the execution or, in the case of Covered Bonds, signature in facsimile and the delivery or, as the case may be, issue by the Issuer of the Transaction Documents to which it is a party and the Covered Bonds and the performance of the obligations thereunder have been duly authorised by the Issuer so that upon (in the case of the Transaction Documents to which it is a party) due execution and delivery by all parties thereto or (in the case of the Covered Bonds) signature in facsimile (and authentication in accordance with the Trust Deed) and issue, the same will constitute valid and legally binding obligations of the Issuer enforceable in accordance with their respective terms subject to the laws of bankruptcy and other laws affecting the rights of creditors generally, subject to all relevant reservations contained under the heading "Reservations" in the Slaughter and May legal opinion dated on or about the date hereof, all relevant reservations contained under the heading "Reservations" in the Allen & Overy LLP legal opinion dated on or about the date hereof, in paragraph 7 of the Scots law opinion of Shepherd and Wedderburn LLP dated on or about the date hereof and in the section headed "Reservations" of the Northern Irish law opinion of Elliot Duffy Garrett dated on or about the date hereof (or the relevant reservations in similar subsequent opinions, together, the **Reservations**);

- (e) that each of the representations and warranties of the Issuer (made in its capacity as such) in the Transaction Documents to which it is a party is true and correct in all material respects as of the date it is expressed to be made;
- (f) that no Issuer Event of Default or event which with the giving of notice or lapse of time or other condition would constitute an Issuer Event of Default is subsisting in relation to any outstanding Covered Bond and no event has occurred which would constitute (after an issue of Covered Bonds) an Issuer Event of Default thereunder or which with the giving of notice or lapse of time or other condition would (after an issue of Covered Bonds) constitute such an Issuer Event of Default;
- (g) that, save as stated in the Prospectus, the Issuer is not involved in, nor are there so far as the Issuer is aware, pending or threatened legal or arbitration proceedings against the Issuer which if adversely determined relates to claims or amounts which would be, individually or in the aggregate, material in the context of the (i) Programme or (ii) where this representation and warranty is made in relation to a specific Tranche of Covered Bonds, the issue of such Tranche of Covered Bonds;
- (h) the Issuer acknowledges that the purchase and sale of the Covered Bonds pursuant to this Agreement is an arm's length commercial transaction between the Issuer on the one hand and the Dealer(s) on the other. The Dealer(s) are acting as principal and not as a fiduciary to, or an agent of, the Issuer. Additionally, the Issuer agrees that it is responsible for making its own judgements in connection with the offering of the Covered Bonds irrespective of whether any of the Dealer(s) has advised the Issuer on related matters. No Dealer is advising the Issuer or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Issuer may consult with its own respective advisors concerning such matters and shall be responsible for making its own independent

investigation and appraisal of the transaction contemplated hereby and agree that it will not claim that the Dealer(s) owe an agency or fiduciary duty to the Issuer and in connection with the transactions contemplated by this Agreement or the process leading thereto;

- (i) that all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of England, Northern Ireland and Scotland for or in connection with the issue of the Covered Bonds, the execution of the Covered Bonds and the Transaction Documents to which the Issuer is a party have been obtained and are in force;
- (j) in respect of any issue of Covered Bonds for which the Agreement Date occurs on or after the date on which the Issuer is admitted to the register of issuers pursuant to Regulation 14 of the RCB Regulations, it is in compliance with the requirements of the RCB Regulations and the RCB Sourcebook and has been admitted to the register of issuers pursuant to Regulation 14 of the RCB Regulations;
- (k) that the most recently published audited financial statements and unaudited interim financial statements of the Issuer and the Santander UK Group were in each case prepared in accordance with the requirements of law and IFRS and that they give a true and fair view of (i) the consolidated and/or unconsolidated (as applicable) financial condition of the Issuer and the Santander UK Group, as the case may be, as at the date to which they were prepared (the **Relevant Date**) and (ii) the consolidated and/or unconsolidated results of operations of each of the Issuer and the Santander UK Group, as the case may be, for the financial period ended on the Relevant Date and that there has been no material adverse change in the consolidated and/or unconsolidated (as applicable) financial condition of the Issuer and the Santander UK Group, as the case may be, since the latest Relevant Date, except as disclosed in the Prospectus or otherwise disclosed in writing to the relevant Dealer(s) before the relevant Agreement Date in relation to any Covered Bonds;
- (l) that, in the case of Bearer Covered Bonds and Regulation S Covered Bonds, the Issuer, its affiliates and any person acting on its behalf (other than any Dealer) have complied with the offering restrictions requirements of Regulation S under the Securities Act;
- (m) that neither the Issuer nor any of its affiliates nor any person acting on its behalf (other than any Dealer) has engaged in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to any Bearer Covered Bonds or any Regulation S Covered Bonds;
- (n) that neither the Issuer nor any of its affiliates nor any person acting on its behalf (other than any Dealer) has engaged in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the Securities Act) in connection with any offer or sale of Rule 144A Covered Bonds in the United States;
- (o) that, as of the Issue Date of any Rule 144A Covered Bonds, such Rule 144A Covered Bonds are not, and no securities of the same class (within the meaning of Rule 144A(d)(3)(i) under the Securities Act) as such Rule 144A Covered Bonds are, (i) listed on a national securities exchange in the United States which is registered under Section 6 of the Exchange Act or (ii) quoted in any "automated inter-dealer quotation system" (as that term is used in the rules under the Exchange Act) in the United States;
- (p) that the Issuer has not offered or sold, within the six months preceding any issue of Covered Bonds, any security of the same or a similar class as such Covered Bonds under circumstances that would require registration of such Covered Bonds under the Securities Act;

- (q) that the Issuer is not, nor will it be as a result of the sale of any of the Covered Bonds, an "investment company", or a company "controlled" by an "investment company" registered or required to be registered under the Investment Company Act (as such terms are used in the Investment Company Act);
- (r) that, in relation to each Tranche of Covered Bonds for which a Dealer is named as a Stabilising Manager in the applicable Final Terms Document, it has not issued, without the prior consent of that Dealer (such consent not to be unreasonably withheld), any press or other public announcement referring to the proposed issue of Covered Bonds unless the announcement adequately discloses that stabilising action may take place in relation to such Covered Bonds and the Issuer authorises such Dealer to make such disclosure instead of the Issuer, if so agreed between the Issuer and the Dealer;
- (s) that the Issuer is a "foreign issuer" as defined in Regulation S under the Securities Act;
- (t) that the relevant Final Terms Document does not contain an untrue statement of a material fact; and
- (u) that the Issuer is able to pay its debts as and when due and will not become unable to do so in consequence of the execution by it of the Transaction Documents to which it is a party and the performance by it of the transactions envisaged by the Transaction Documents.

4.2 As at each applicable Representation Date, the LLP represents and warrants to and for the benefit of each Dealer as follows:

- (a) that the Disclosure Documents contain all material information as investors and their professional advisers would reasonably require, and reasonably expect to find therein in the context of the issue of the Covered Bonds, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the LLP and of the rights attaching to the relevant Covered Bonds, that the Disclosure Documents do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which there were made, not misleading, and that the LLP has made all reasonable enquiries to ascertain all facts material for the purpose aforesaid;
- (b) that the LLP is duly incorporated as a limited liability partnership and is validly existing under English law and the LLP has all corporate power and authority to own its properties and conduct its business as described in the Prospectus and to execute and perform its obligations under the Transaction Documents to which it is a party;
- (c) that the execution of the Transaction Documents to which it is a party and the performance and compliance with the terms thereof:
  - (i) will not infringe any existing English, Northern Irish or Scottish law or regulation or any consent, approval or authorisation referred to in (f) below and are not contrary to the provisions of its constitutional documents, and
  - (ii) will not infringe the terms of, or constitute a default under, or call for the creation of a mortgage, lien, pledge, charge or other similar encumbrance under, any trust deed, agreement or other instrument or obligation to which the LLP is a party or by which it is bound or to which its assets is subject or will result in the creation or imposition of any Security Interest upon any of its property or assets (other than those created in the Transaction Documents),

and that the execution and the delivery by the LLP of the Transaction Documents to which it is a party and the performance of the obligations thereunder have been duly authorised by the LLP so that upon due execution and delivery by all parties thereto, the same will constitute valid and legally binding obligations of the LLP in accordance with their respective terms subject to the laws of bankruptcy and other laws affecting the rights of creditors generally and subject to the Reservations;

- (d) that no LLP Event of Default or event which with the giving of notice or lapse of time or other condition would constitute a LLP Event of Default is subsisting in relation to any outstanding Covered Bond and no event has occurred which would constitute (after an issue of Covered Bonds) a LLP Event of Default thereunder or which with the giving of notice or lapse of time or other condition would (after an issue of Covered Bonds) constitute such a LLP Event of Default;
- (e) that, save as stated in the Prospectus, the LLP is not involved in, nor are there so far as the LLP is aware pending or threatened, legal or arbitration proceedings against the LLP which if adversely determined relates to claims or amounts which would be, individually or in the aggregate, material in the context of (i) the Programme or (ii) where this representation and warranty is made in relation to a specific Tranche of Covered Bonds, the issue of such Tranche of Covered Bonds;
- (f) that all consents, approvals, authorisations or other orders of all regulatory authorities required by the LLP under the laws of England, Northern Ireland and Scotland for or in connection with the execution of the Transaction Documents to which it is a party have been obtained are in force, other than in connection with any Issue Date registrations required pursuant to sections 859A – 859Q of the Companies Act 2006 and that the LLP has complied with all English, Northern Irish and Scottish legal and other English, Northern Irish or Scottish requirements;
- (g) in respect of any issue of Covered Bonds which occurs on or after the date on which the Issuer has been admitted to the register of issuers pursuant to Regulation 14 of the RCB Regulations and each Agreement Date thereafter, it is in compliance with the requirements of the RCB Regulations and the RCB Sourcebook;
- (h) that the financial statements and accounts, together with the notes thereto, of the LLP, included, or as the case may be, incorporated by reference in the Disclosure Documents, were prepared in conformity with IFRS in force as at the date of issue of the Covered Bonds consistently applied (except as may be disclosed otherwise therein) and that they give a true and fair view of the financial condition of the LLP, as at the date to which they were prepared (for purposes of this Clause the **relevant date**) and of the results of operations of the LLP, for the financial period ended on the relevant date and that there has been no material adverse change in the financial condition of the LLP since the relevant date except as disclosed in the Prospectus or otherwise disclosed in writing to the relevant Dealer(s) before the relevant Agreement Date in relation to any issue of Covered Bonds;
- (i) the LLP acknowledges that the purchase and sale of the Covered Bonds pursuant to this Agreement is an arm's length commercial transaction between the LLP on the one hand and the Dealer(s) on the other. The Dealer(s) are acting as principal and not as a fiduciary to, or an agent of, the LLP. Additionally, the LLP agrees that it is responsible for making its own judgements in connection with the offering of the Covered Bonds irrespective of whether any of the Dealer(s) has advised the LLP on related matters. No Dealer is advising the LLP or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The LLP may consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transaction

contemplated hereby and agrees that it will not claim that the Dealer(s) owe an agency or fiduciary duty to it in connection with the transactions contemplated by this Agreement or the process leading thereto;

- (j) that, in the case of Bearer Covered Bonds and Regulation S Covered Bonds, the LLP, its affiliates and any person acting on its or their behalf (other than any Dealer) have complied with the offering restrictions requirement of Regulation S under the Securities Act;
- (k) that neither the LLP nor any of its affiliates nor any person acting on its or their behalf (other than any Dealer) has engaged in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to any Bearer Covered Bonds or any Regulation S Covered Bonds;
- (l) that neither the LLP nor its affiliates nor any person acting on its or their behalf (other than any Dealer) has engaged in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the Securities Act) in connection with any offer or sale of Rule 144A Covered Bonds in the United States;
- (m) that, as of the Issue Date of any Covered Bonds, the Covered Bond Guarantee is not, and no securities of the same class (within the meaning of Rule 144A(d)(3)(i) under the Securities Act) as the Covered Bond Guarantee are, (i) listed on a national securities exchange in the United States which is registered under Section 6 of the Exchange Act or (ii) quoted in any "automated inter-dealer quotation system" (as that term is used in the rules under the Exchange Act) in the United States;
- (n) that the LLP has not offered or sold within the six months preceding any issue of Covered Bonds any security of the same or a similar class as the Covered Bond Guarantee under circumstances that would require registration of the Covered Bond Guarantee under the Securities Act;
- (o) that the LLP is not, nor will it be as a result of the issuance of the Covered Bond Guarantee, an "investment company", or a company "controlled" by an "investment company" registered or required to be registered under the Investment Company Act (as such terms are used in the Investment Company Act);
- (p) that the LLP is a "foreign issuer" as defined in Regulation S under the Securities Act;
- (q) that the Seller and the Liquidation Member are members of the LLP within the meaning of Section 4 of the Limited Liability Partnerships Act 2000 and any New Member has been or shall be (as applicable) appointed only in accordance with the LLP Deed;
- (r) that the LLP has not engaged in any activities since its incorporation other than (i) those incidental to any registration as a limited liability partnership under the Limited Liability Partnerships Act 2000; (ii) the authorisation and execution of the Transaction Documents to which it is a party; (iii) the activities referred to or contemplated in the Transaction Documents or in the Prospectus; (iv) the activities necessary to hold the Portfolio and its other assets in accordance with the terms of the Transaction Documents, (v) its registration under the Data Protection Act 1998 and (vi) it having received a standard licence under the Consumer Credit Act 1974;
- (s) that other than as set out in any of the Transaction Documents there exists no mortgage, lien, pledge or other charge or security interest on or over its assets and, other than pursuant to the Transaction Documents, it has not entered into any indenture or trust deed;

- (t) subject to the Reservations as to the enforcement of security (and, for the avoidance of doubt, excluding from such Reservations the factual assumptions on which they are made (including the assumptions as to the solvency of the LLP)), and subject to the laws of bankruptcy and other laws affecting the rights of creditors generally, its obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party will be secured in the manner provided in the Deed of Charge;
- (u) that the LLP has no subsidiaries or subsidiary undertakings within the meanings of sections 1159 and 1162 of the Companies Act 2006 and no employees other than the members of its Management Board;
- (v) that following the completion of the sale of the Loans and their Related Security (or, as applicable, the New Loans and the Related Security) to the LLP pursuant to or and in accordance with the Mortgage Sale Agreement, and (in relation to Scottish Loans and their Related Security) the completion of the relevant Scottish Declaration of Trust, the LLP will to the extent contemplated by the Transaction Documents hold the equitable title to, and beneficial interest in, the Loans and their Related Security comprised in the Portfolio; and
- (w) the LLP is able to pay its debts as and when due and will not become unable to do so in consequence of the execution by it of the Transaction Documents to which it is a party and the performance by it of the transactions envisaged by the Transaction Documents.

4.3 As at each applicable Representation Date, the relevant Seller or Sellers, if more than one, represent and warrant each severally as to the Loans and Related Security sold by it, to and for the benefit of each Dealer as follows:

- (a) that to the best of its knowledge and belief (and having taken all reasonable care to ensure that such is the case) the information contained in the Disclosure Documents, relating to the Seller and the Loans originated by the Seller is in accordance with the facts and does not omit anything materially likely to affect the import of such information in the context of the issue of the Covered Bonds;
- (b) that the Seller is duly incorporated and is validly existing under the laws of the jurisdiction in which it is constituted and has all corporate power and authority to own its properties and to conduct its business as described in the Prospectus;
- (c) that (1) the sale of the Loans and Related Security and the related property rights and (2) the execution of the Transaction Documents to which it is a party and the performance and compliance with the terms thereof:
  - (i) will not infringe any existing law or regulation of its jurisdiction of incorporation or any consent, approval or authorisation referred to in (e) below and are not contrary to the provisions of its constitutional documents; and
  - (ii) will not infringe the terms of, or constitute a default under, or call for the creation of a mortgage, lien, pledge, charge or other similar encumbrance under, any trust deed, agreement or other instrument or obligation to which it is a party or by which it is bound or to which its assets are subject, which infringement, default or call is material in the context of the Programme or the issue of any Covered Bonds,

and that the execution and the delivery by it of the Transaction Documents to which it is a party and the performance of the obligations thereunder have been duly authorised by it so that upon due execution and delivery by all parties thereto, the same will constitute its valid and legally binding obligations in accordance with their respective terms subject to the

Reservations and the laws of bankruptcy and other laws affecting the rights of the creditors generally;

- (d) that the relevant Seller has not received notice of any litigation or claim calling into question its title to any Related Security or its rights to assign or declare a trust in respect of any such Related Security to the LLP;
- (e) that all consents, approvals, authorisations or other orders of all regulatory authorities required by it under the laws of England, Northern Ireland and Scotland for or in connection with the execution of the Transaction Documents to which it is a party have been obtained and are in force and that it has complied with all English, Northern Irish and Scottish legal and other English, Northern Irish or Scottish requirements;
- (f) that the representations and warranties given by the relevant Seller in the Mortgage Sale Agreement (other than those for which a remedy of repurchase or substitution is available under the Mortgage Sale Agreement) were, are and will be true and accurate when made or deemed to be repeated;
- (g) that the representations and warranties given by the Issuer and the LLP in Clauses 4.1 and 4.2 were, are and will be true and accurate when made or deemed to be repeated;
- (h) that, in the case of Bearer Covered Bonds and Regulation S Covered Bonds, the relevant Seller, its affiliates and any person acting on its or their behalf (other than any Dealer) have complied with the offering restrictions requirement of Regulation S under the Securities Act;
- (i) that neither the relevant Seller, nor any of its affiliates nor any person acting on its or their behalf (other than any Dealer), has engaged in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to any Bearer Covered Bonds or any Regulation S Covered Bonds;
- (j) that neither the relevant Seller nor its affiliates nor any person (other than any Dealer) acting on its or their behalf has engaged in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the Securities Act) in connection with any offer or sale of Rule 144A Covered Bonds in the United States; and
- (k) that the Seller is able to pay its debts as and when due and will not become unable to do so in consequence of the execution by it of the Transaction Documents to which it is a party and the performance by it of the transactions envisaged by the Transaction Documents to which it is a party.

## **5. UNDERTAKINGS OF THE ISSUER AND THE LLP**

### **5.1 Notification of material developments**

- (a) The Issuer or the LLP shall promptly after becoming aware of the occurrence thereof, notify each Dealer of:
  - (i) (A) any Issuer Event of Default or LLP Event of Default or any condition, omission, act or event which would after an issue of Covered Bonds (or would with the giving of notice and/or the lapse of time) constitute an Issuer Event of Default or LLP Event of Default or (B) any breach of its representations, warranties or undertakings contained in this Agreement which is material in the context of the Programme or any issue of Covered Bonds; and



- (ii) any development affecting the Issuer or the LLP or any of their respective businesses which, in the reasonable opinion of the Issuer or the LLP, as the case may be, is material in the context of the Programme or any issue of Covered Bonds.
- (b) If, following the Agreement Date and before the Issue Date of the relevant Covered Bonds, the Issuer or the LLP becomes aware that any of the conditions specified in Clause 3.2 will not be satisfied in relation to that issue, the Issuer or the LLP, as the case may be, shall forthwith notify the relevant Dealer to this effect giving full details thereof. In such circumstances, the relevant Dealer shall be entitled (but not bound) by notice to the Issuer and the LLP to be released and discharged from its obligations under the agreement reached under Clause 2.
- (c) Without prejudice to the generality of paragraphs (a) and (b) of Clause 5.1 above, the Issuer and the LLP shall from time to time promptly furnish to each Dealer such information relating to the Issuer and the LLP, respectively, as such Dealer may reasonably request **provided that** the Issuer or the LLP, as the case may be, shall not be obliged to furnish any information in circumstances where it is prohibited from doing so by law and **provided further that** the Issuer or the LLP, as the case may be, shall be entitled to require each Dealer reasonably request such information to comply with any reasonable confidentiality requirements of the Issuer or the LLP.

## 5.2 Updating of Prospectus

- (a) Without prejudice to paragraph (b) of Clause 5.4, the Issuer and the LLP shall update or amend the Prospectus (following consultation with the Arranger who will consult the Dealer) by the publication of a supplement thereto or a new prospectus in a form approved by the competent authority under the FSMA:
  - (i) in the event of any significant new factor, material mistake or inaccuracy relating to information included in the Prospectus which is capable of affecting the assessment of any Covered Bonds, or
  - (ii) in light of any change in the condition of the Issuer and/or the LLP which is material in the context of the issue of any Covered Bonds

and, in any case, on or prior to the issuance of any Covered Bond that is proposed to take place 12 months or more after the date on which the Prospectus was previously amended or updated.

- (b) The Prospectus shall, as specified in it, be deemed to incorporate by reference certain published audited and unaudited financial statements of each of the Issuer and the LLP, which have previously been published and have been filed with the FCA. Such documents shall form part of the Prospectus. The Prospectus shall also state that the Issuer and the LLP may, in one or more supplements to the Prospectus, incorporate by reference into the Prospectus information contained in documents published from time to time after the date of the Prospectus. Upon the incorporation by reference of any new or revised report and accounts or financial statements or other documents through a supplement, the Issuer and the LLP shall promptly without cost to the Dealers supply to each Dealer and the Principal Paying Agent such number of copies of such new or revised report and accounts or financial statements or other documents or the related supplement as each Dealer or the Principal Paying Agent (as the case may be) may reasonably request. Until a Dealer receives such new or revised report and accounts or financial statements or other documents or the related supplement, the definition of Prospectus shall, in relation to such Dealer, mean the Prospectus prior to the receipt by such Dealer of such new or revised report and accounts or financial statements or other documents or the related supplement.
- (c) If the terms of the Programme are modified or amended in a manner which would make the Prospectus materially inaccurate or misleading, **provided that** the Issuer shall decide to continue to

issue Covered Bonds under the Programme, a new Prospectus or supplemental Prospectus will be prepared by the Issuer and the LLP in a form approved by the Dealers.

### 5.3 Compliance with the RCB Regulations

In respect of each annual confirmation provided by the Issuer to the FCA in accordance with and on the dates specified in RCB 3.2.5D of the RCB Sourcebook, with effect on and from the date on which the Issuer is admitted to the register of issuers pursuant to Regulation 14 of the RCB Regulations, the Issuer shall:

- (a) provide to the FCA written confirmation of its compliance with the RCB Regulations pursuant to RCB 3.2.1D of the RCB Sourcebook and provide a copy thereof to the Dealers upon reasonable request; and
- (b) confirm to the Dealers that it has paid its annual fees to the FCA in accordance with RCB 5 of the RCB Sourcebook.

### 5.4 Listing

The Issuer and the LLP:

- (a) confirm that it made or caused to be made, an application for the Programme to be listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's Regulated Market;
- (b) will make or cause to be made an application on behalf of and at the expense of the Issuer for the Programme or any particular Tranche of Covered Bonds to be listed on such other Stock Exchange as the Issuer and the Arranger, in the case of the Programme, and the relevant Dealer, in the case of a particular Tranche of Covered Bonds, may agree and will use reasonable endeavours to obtain and maintain such listing, **provided that** if, at any time, the Issuer is of the opinion in its sole discretion that maintaining such listing is unduly burdensome, the Issuer may seek an alternative listing of the Covered Bonds on some other Stock Exchange (including, without limitation, a Stock Exchange outside the European Union) as may be agreed between the Issuer and the Arranger (in the case of the Programme) or the relevant Dealer(s) (in the case of a particular Tranche of Covered Bonds); and
- (c) shall comply with Section 87G of the FSMA, and, in the event that a supplementary Prospectus is produced shall supply to each Dealer at the expense of the Issuer and the LLP such number of copies of the supplementary Prospectus as such Dealer may reasonably request.
- (d) If any Covered Bonds cease to be listed on the relevant Stock Exchange, the Issuer and the LLP shall use best endeavours promptly to list the relevant Covered Bonds on a stock exchange to be agreed between the Issuer and the LLP (after consultation, if practicable, with the Bond Trustee and the Security Trustee), and the Issuer shall notify the relevant Dealer of such change in listing. The Issuer and the LLP shall comply with the rules of each relevant Stock Exchange (or any other relevant authority or authorities), and shall otherwise comply with any undertakings given by it from time to time to the relevant Stock Exchange (or any other relevant authority or authorities), in connection with the listing of any Covered Bonds on that Stock Exchange and, without prejudice to the generality of the foregoing, shall furnish or procure to be furnished to the relevant Stock Exchange (or any other relevant authority or authorities) all the information which the relevant Stock Exchange (or any other

relevant authority or authorities) may require in connection with the listing on that Stock Exchange of any Covered Bonds.

## **5.5 The Transaction Documents**

Each of the Issuer and the LLP undertakes that it will not:

- (a) without prior consultation with the Arranger on behalf of the Dealers, save to the extent expressly contemplated in the Transaction Documents, terminate any of the Transaction Documents to which it is a party or effect or permit to become effective any amendment to any such Transaction Documents, which in the case of an amendment, would materially and adversely affect the interests of any Dealer or of any holder of Covered Bonds issued before the date of the amendment; or
- (b) without prior consultation with the Dealers, appoint a different Bond Trustee under the Trust Deed or Security Trustee under the Deed of Charge and/or Principal Paying Agent under the Agency Agreement,

and the Issuer and the LLP will promptly notify each of the Dealers of the effective date of any termination of, or amendment to, any of the Transaction Documents to which any of them is a party and of any change in the Bond Trustee under the Trust Deed or the Security Trustee under the Deed of Charge and/or the Principal Paying Agent under the Agency Agreement.

## **5.6 Lawful compliance**

Each of the Issuer and the LLP will at all times ensure that all necessary action is taken and all necessary conditions are fulfilled (including, without limitation, the obtaining of all necessary consents) so that it may lawfully comply with its obligations under all Covered Bonds and the Transaction Documents to which it is a party, **provided that** where a matter is not within its control the Issuer or the LLP will be obliged only to make all reasonable endeavours in connection with the foregoing.

## **5.7 Notification of action by the FCA**

Each of the Issuer and the LLP shall promptly notify the Dealers of any enforcement action taken or proposed by the FCA against the Issuer or the LLP under the RCB Regulations.

## **5.8 U.S. covenants**

In relation to any issue of Registered Covered Bonds, each of the Issuer and the LLP shall:

- (a) in relation to any such Series of Covered Bonds to be accepted into the book-entry system of DTC, co-operate with the relevant Dealer or, as the case may be, the Lead Manager and use all reasonable endeavours to permit the relevant Covered Bonds to be eligible for clearance and settlement through DTC;
- (b) promptly from time to time take such action as the relevant Dealer or, as the case may be, the Lead Manager may request in order to ensure the qualification of any such Covered Bonds for offering and sale under the securities laws of such jurisdictions in the United States as the Dealer may request, and to comply with those laws so as to permit the continuance of sales and dealings in such Covered Bonds in those jurisdictions for as long as may be necessary to complete the distribution of such Covered Bonds, **provided that** no Dealer nor the Lead Manager may seek registration of such Covered Bonds under the Securities Act;

- (c) for so long as any Covered Bonds or, with respect to the LLP, the Covered Bond Guarantee, respectively, remain outstanding and are "restricted securities" (as defined in Rule 144(a)(3) under the Securities Act), the Issuer and the LLP shall, during any period in which they are neither subject to Sections 13 or 15(d) of the Exchange Act nor exempt from reporting requirements pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any holder of, or beneficial owner of an interest in, such Covered Bonds in connection with any resale thereof and to any prospective purchaser designated by such holder or beneficial owner, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act; and
- (d) in the event that any Rule 144A Covered Bond being offered or to be offered by the Dealers would be ineligible for resale under Rule 144A (because such Covered Bond or the Covered Bond Guarantee is of the same class (within the meaning of Rule 144A) as other securities of the Issuer or the LLP, as applicable, which are listed on a U.S. securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system), the Issuer shall immediately notify the Dealers by telephone, confirmed in writing, of such fact and will promptly prepare and deliver to the Dealers an amendment or supplement to the Prospectus describing the Covered Bonds which are ineligible, the reason for such ineligibility and any other relevant information relating thereto.

Each of the Issuer and the LLP additionally undertakes that:

- (i) in the case of Bearer Covered Bonds and Regulation S Covered Bonds, it or its affiliates and any person acting on its or their behalf (other than any Dealer) will comply with the offering restrictions requirement of Regulation S under the Securities Act;
- (ii) neither it nor any of its affiliates nor any person acting on its or their behalf (other than any Dealer) will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to any Bearer Covered Bonds or any Regulation S Covered Bonds;
- (iii) neither it nor its affiliates nor any person acting on its or their behalf (other than any Dealer) will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the Securities Act) in connection with any offer or sale of Rule 144A Covered Bonds in the United States; and
- (iv) it will not offer or sell within six months following any issue of Covered Bonds or Guarantee any security of the same or a similar class as such Covered Bonds or Guarantee under circumstances that would require registration of such Covered Bonds or Guarantee under the Securities Act.

Except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D), the Issuer and the LLP undertakes that the Issuer and the LLP shall not permit offers or sales of Bearer Covered Bonds to be made in the United States or its possessions or to United States persons. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and the U.S. Treasury regulations thereunder.

## **5.9 Authorised representative**

The Issuer and the LLP will notify the Dealers immediately in writing if any of the persons named in the list referred to in paragraph 3 of Part 1 of the Initial Documentation List ceases to be authorised to take action on its behalf or if any additional person becomes so authorised together, in the case of an additional authorised person, with evidence satisfactory to the Dealers that such person has been so authorised.

### **5.10 Auditors' comfort letters**

The Issuer and the LLP will:

- (a) at the time of the preparation of the initial Prospectus;
- (b) on each occasion when the Prospectus is revised, updated, supplemented or amended pursuant to paragraph (a) of Clause 5.2 and on each occasion when the Prospectus is revised, supplemented or amended, whether by means of information incorporated by reference or otherwise (insofar as the revision, supplement, update or amendment concerns or contains financial information about the Issuer or the LLP) except if the only revision, update, supplement or amendment concerned is the publication or issue of any financial statements of the Issuer or the LLP as the case may be, if so reasonably requested by the Dealers (or any of them) and agreed by the Issuer; and
- (c) in relation to an issue of Covered Bonds if so reasonably requested by the Dealers (or any of them) and agreed by the Issuer,

deliver, at the expense of the Issuer, to the Dealers a comfort letter or comfort letters from the independent auditors of the Issuer or the LLP, as the case may be, in such form and with such content as the Dealers may reasonably request.

If at or prior to the time of any agreement to issue and purchase Covered Bonds under Clause 2 such a request is made with respect to the Covered Bonds to be issued and agreed with the Issuer, the receipt of the relevant comfort letter or letters in a form satisfactory to the relevant Dealer shall be a further condition precedent to the issue of those Covered Bonds to that Dealer.

### **5.11 No other issues**

During the period commencing on the Agreement Date and ending on the Issue Date with respect to any Covered Bonds which are to be listed or admitted to trading, the Issuer will not, without the prior consent of the relevant Dealers, issue or agree to issue any other secured notes, bonds or other debt securities of whatsoever nature which are listed or admitted to trading of a nominal amount in excess of €500 million (or its equivalent in any other currency) (other than Covered Bonds to be issued to the same Dealer) where such secured notes, bonds or other debt securities would have the same maturity, currency, Interest Basis and Redemption/Payment Basis (as specified in the Final Terms Document) as the Covered Bonds to be issued on the relevant Issue Date.

### **5.12 Information on Covered Bondholders' meetings**

The Issuer and the LLP will, at the same time as it is despatched, furnish the Dealers with a copy of every notice of a meeting of the holders of the Covered Bonds (or any of them) which is despatched at the instigation of the Issuer, the LLP, the Bond Trustee or the Security Trustee and will notify the Dealers immediately upon its becoming aware that a meeting of the holders of the Covered Bonds (or any of them) has otherwise been convened.

### **5.13 Ratings**

Each of the Issuer and the LLP undertakes promptly to notify the Dealers of any change in the ratings given by Moody's and/or S&P and/or Fitch or such other Rating Agency as notified to the Dealers for any of the Covered Bonds to be issued under the Programme or any other debt obligations of the Issuer or the LLP or upon it becoming aware that any such rating is listed on "Creditwatch" or other similar publication of formal review by the relevant Rating Agency.

#### **5.14 Registration of Security**

Each of the Issuer and the LLP undertakes to ensure that each of the Security Interests created by or contained in or granted pursuant to the Deed of Charge are registered under sections 859A – 859Q of the Companies Act within the applicable time limits.

#### **5.15 Jurisdictions**

With effect on and from the date on which the Issuer is admitted to the register of issuers pursuant to Regulation 14 of the RCB Regulations, the Issuer will use all reasonable endeavours to take such measures as may be reasonably requested by the Arranger to qualify a Series of Covered Bonds for sale in each jurisdiction agreed between the Issuer and the Arranger in respect of such Series for such period as the Arranger may reasonably request in order to complete the placement of any Covered Bonds in respect of such Series. The Issuer will immediately advise the Dealers of the receipt by the Issuer of any notification with respect to the suspension of such qualification in any jurisdiction or the initiation or threatening of any proceedings for such purpose.

#### **5.16 Passporting**

If the Issuer has agreed with one or more Dealers that the home Member State that approved the Prospectus will be requested to provide a certificate of approval to the competent authority of one or more host Member State(s) under Article 18 of the Prospectus Directive, then the arrangements relating to such request (including, but not limited to, the cost of translating any summary contained in the Prospectus for the purposes of the relevant host Member State) will be agreed between the Issuer and the relevant Dealer(s) at the relevant time.

#### **5.17 Notifications**

With effect on and from the date on which the Issuer is admitted to the register of issuers pursuant to Regulation 14 of the RCB Regulations, the Issuer and the LLP undertake to provide the Dealers with a copy of each formal notification made by it to or received by it from the FCA pursuant to the RCB Regulations and/or the RCB Sourcebook.

### **6. UNDERTAKINGS OF THE RELEVANT SELLER**

#### **6.1 Notification of material developments**

The relevant Seller shall promptly after becoming aware of the occurrence thereof notify each Dealer of any development affecting it or any of its businesses which, in its opinion, is material in the context of the Programme or any issue of Covered Bonds.

#### **6.2 Lawful compliance**

The relevant Seller will at all times ensure that all necessary action is taken and all necessary conditions are fulfilled (including, without limitation, the obtaining of all necessary consents) so that it may lawfully comply with its obligations under all the Transaction Documents to which it is a party, **provided that** where a matter is not within its control the relevant Seller will be obliged only to make all reasonable endeavours in connection with the foregoing.

#### **6.3 Transaction Documents**

Save to the extent expressly contemplated in the Transaction Documents, the relevant Seller undertakes that it will not without prior consultation with the Arranger on behalf of the Dealers terminate any of the Transaction Documents to which it is a party or effect or permit to become

effective any amendment to any such Transaction Documents which, in the case of an amendment, would materially adversely affect the interests of any Dealer or of any holder of Covered Bonds issued before the date of the amendment, and the Seller will promptly notify each of the Dealers of any termination of, or amendment to, any of the Transaction Documents to which it is a party.

#### **6.4 Ratings**

The relevant Seller undertakes promptly to notify the Dealers of any change in the ratings given by Moody's and/or S&P and/or Fitch of the Seller's unsecured, unsubordinated short term or long term debt or the Servicer's unsecured, unsubordinated short term or long term debt (if the Servicer is administering the Loans and Related Security sold by the Seller to the LLP).

#### **6.5 U.S covenants**

Each relevant Seller additionally undertakes that:

- (a) that, in the case of Bearer Covered Bonds and Regulation S Covered Bonds, the relevant Seller, its affiliates and any person acting on its or their behalf (other than any Dealer) will comply with the offering restrictions requirement of Regulation S under the Securities Act;
- (b) that neither the relevant Seller, nor any of its affiliates nor any person acting on its or their behalf (other than any Dealer) will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to any Bearer Covered Bonds or any Regulation S Covered Bonds; and
- (c) that neither the relevant Seller nor its affiliates nor any person acting on its or their behalf (other than any Dealer) will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the Securities Act) in connection with any offer or sale of Rule 144A Covered Bonds in the United States.

### **7. INDEMNITY**

7.1 Without prejudice to the other rights or remedies of the Dealers, the Issuer and the LLP jointly and severally undertake to each Dealer that if that Dealer or any Relevant Party relating to that Dealer incurs any liability, damages, cost, loss or expense (including, without limitation, legal fees, costs and expenses) (a **Loss**) as a result of or in relation to:

- (a) any actual or alleged misrepresentation in, or actual or alleged breach of, any of the representations and warranties of the Issuer and/or the LLP and/or any Seller contained in or deemed to be made under this Agreement; or
- (b) any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus or the Disclosure Documents (excluding any Information Provided by the Dealers (as defined in Clause 7.3 below)) or the omission or alleged omission to state therein of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer or, as the case may be, the LLP shall (subject to Clause 7.3 below) pay to that Dealer on demand an amount equal to such Loss and will reimburse each Dealer for all costs, charges and expenses which such Dealer may reasonably and properly incur (including any applicable amounts in respect of VAT) in connection with investigating, disputing or defending such action or claim as such costs are incurred.

No Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 7.1.

- 7.2 Without prejudice to the other rights or remedies of the Dealers, each Seller undertakes to each Dealer that if that Dealer or any Relevant Party relating to that Dealer incurs any Loss as a result of or in relation to any actual or alleged misrepresentation in, or actual or alleged breach of the representations and warranties of the Seller and/or the LLP under this Agreement, such Seller shall pay to that Dealer on demand an amount equal to such Loss.

No Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 7.2.

- 7.3 Each Dealer agrees, severally and not jointly, to indemnify and hold harmless the Issuer and the LLP and each person, if any, who controls the Issuer and the LLP within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in Clause 7.1 above, but only with respect to any losses, claims, damages or liabilities caused by any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any written information furnished to the Issuer and the LLP by or on behalf of such Dealer through the Lead Manager(s) specifically for use in the Prospectus (or any amendment or supplement thereto). The Issuer and the LLP acknowledge that the paragraphs relating to over-allotment, effecting transactions with a view to supporting the market price of the Covered Bonds and stabilisation in the Prospectus constitute the only information furnished by or on behalf of the several Dealers for inclusion in the Prospectus (such statements being the **Information Provided by the Dealers**).

- 7.4 In case any action, claim or demand shall be brought against any Relevant Party in respect of which recovery may be sought from the Issuer, the Seller and/or the LLP, as the case may be, under this Clause 7, the relevant Dealer shall promptly notify the Issuer, the Seller and/or the LLP, as the case may be, in writing, setting out the relevant claim in reasonable detail, and the Issuer, the Seller and/or the LLP, as the case may be, shall have the option exercisable by notice in writing given to the relevant Dealer not later than 21 days after the giving of the relevant notice as aforesaid by the relevant Dealer) to assume the defence thereof.

Where the Issuer, the Seller and/or the LLP has assumed such defence, the relevant Dealer shall have the right to employ separate legal advisers in relation to any such claim, action or demand and participate in the defence thereof, but the fees and expenses of such legal advisers shall be borne by the relevant Dealer (unless the employment thereof has been specifically authorised or requested in writing by the Issuer, the Seller and/or the LLP or the relevant Dealer has defences additional to or different from the Issuer, the Seller and/or the LLP or the Issuer, the Seller and/or the LLP has failed to employ legal advisers reasonably satisfactory to the Dealer within a reasonable period of time after notice by the Dealer of the commencement of such proceedings, in which case the Issuer, the Seller and/or the relevant Guarantor, as the case may be, shall pay all such fees and expenses). None of the Issuer, the Seller and the LLP shall effect any settlement without the written consent of the Relevant Party (such consent not to be unreasonably withheld or delayed).

- 7.5 Without prejudice to the other rights and remedies of the Issuer, the Seller and the LLP, each Dealer will severally and not jointly indemnify the Issuer, the Seller, the LLP and any director, officer or employee of the Issuer, the Seller and/or the LLP, for any losses, liabilities, costs, claims, charges, expenses, actions or demands which the Issuer, the Seller, the LLP or any director, officer or employee of the Issuer, the Seller and/or the LLP may incur (including any applicable amounts in respect of VAT), or which may be made against any of them as a result of or in relation to any breach by such Dealer of any of the restrictions set out in Appendix 2 hereto (including, without



limitation, reasonable costs of investigation and defence), **provided, however, that** no Dealer shall be liable under this Clause 7.5 for any losses, liabilities, costs, claims, charges, expenses, actions or demands arising from the sale of Covered Bonds to any person believed in good faith by such Dealer, on reasonable grounds after making all reasonable investigations, to be a person to whom Covered Bonds could legally be sold in compliance with the provisions of Appendix 2. The provisions of Clause 7.4 with respect to the conduct and settlement of actions shall apply *mutatis mutandis* to the indemnity contained in this Clause 7.5.

- 7.6 Neither the Issuer nor the LLP shall be liable in respect of any settlement of any action effected without its consent, such consent not to be unreasonably withheld or delayed, **provided that** if the Issuer or the LLP withhold consent of such a settlement then the withholding party shall be obliged to assume the defence thereof.

## **8. AUTHORITY TO DISTRIBUTE DOCUMENTS AND PROVIDE INFORMATION**

Subject to Clause 9, the Issuer and the LLP authorise each of the Dealers on behalf of the Issuer and the LLP to provide copies of, and to make oral statements consistent with, the Disclosure Documents and such additional written information as the Issuer and/or the LLP shall provide to the Dealers for distribution or approve in writing for the Dealers to distribute to actual and potential purchasers of Covered Bonds.

## **9. DEALERS' UNDERTAKINGS**

- 9.1 Each Dealer agrees to comply with the restrictions set out in Appendix 2 hereto.
- 9.2 Each Dealer acknowledges to, and agrees with, the Issuer and the LLP that:
- (a) neither the Issuer nor the LLP have authorised it to make representations in connection with any sale or proposed sale of any Covered Bonds other than those contained in or consistent with those contained in the Prospectus or the information approved in writing and provided by the Issuer and/or the LLP for distribution pursuant to Clause 8 above (taken together with the Prospectus); and
  - (b) it will not circulate any version of the Prospectus other than the latest version of the Prospectus published by the Issuer and the LLP and made available to such Dealer from time to time.

## **10. FEES, EXPENSES AND STAMP DUTIES**

- 10.1 The Issuer undertakes that it will:
- (a) pay to each Dealer all commissions agreed between the Issuer and that Dealer in connection with the sale of any Covered Bonds to that Dealer (together with an amount equal to any VAT chargeable on the services provided by each Dealer in relation thereto);
  - (b) save as otherwise agreed with the Arranger, pay all expenses (together with an amount equal to any VAT chargeable in relation thereto) incidental to the performance of its obligations hereunder, including:
    - (i) the fees and expenses of its legal advisers and auditors;
    - (ii) the cost of listing or admission to trading and maintaining the listing or admission to trading of any Covered Bonds which are to be listed on a Stock Exchange;

- (iii) the cost of obtaining any credit rating for the Covered Bonds;
  - (iv) the fees and expenses of the Bond Trustee, the Security Trustee and the Agents appointed under the Agency Agreement;
  - (v) all expenses in connection with the issue, authentication, packaging and initial delivery of any and all Covered Bonds and the preparation of the Prospectus and the Disclosure Documents, the Transaction Documents and any amendments or supplements thereto;
  - (vi) any qualification of the Covered Bonds under U.S. state securities laws in accordance with the provisions of paragraph (b) of Clause 5.8 hereof, including filing fees and the reasonable fees and disbursements of counsel for the Dealers in connection therewith and in connection with the preparation and delivery to the Dealers of any Blue Sky or Legal Investment Survey; and
  - (vii) the cost of any publicity agreed by the Issuer in connection with an issue of Covered Bonds;
- (c) save as otherwise agreed with the Arranger, pay to the Arranger upon production of an itemised account all costs and expenses (together with an amount equal to any VAT chargeable in relation thereto) incurred by the Arranger (including fees and disbursements of legal advisers appointed to represent the Arranger with the prior approval of the Issuer) in connection with the negotiation, preparation, execution and delivery of the Transaction Documents and any documents referred to in any of them and any other documents required in connection with the establishment of this Programme;
  - (d) bear and pay any stamp, documentary, registration or similar duty or tax (including any interest and penalties) on or in connection with the entry into, performance, enforcement or admissibility in evidence of any Transaction Document or any Covered Bond; and
  - (e) reimburse each Dealer for its costs and expenses reasonably and properly incurred in protecting or enforcing any of its rights against the Issuer and/or any Seller under this Agreement.

10.2 Save as otherwise agreed with the Arranger, the LLP undertakes that it will pay (together with any amounts in respect of VAT or similar tax thereon) the fees and expenses of its legal advisers and auditors.

## **11. TERMINATION OF APPOINTMENT OF DEALERS**

The Issuer and the LLP or (as to itself) a Dealer may terminate the arrangements described in this Agreement by giving not less than 30 days' written notice to the other parties hereto. The Issuer and the LLP may terminate the appointment of a Dealer or Dealers by giving not less than 30 days' written notice to such Dealer or Dealers (with a copy to all the other Dealers, the Bond Trustee, the Security Trustee and the Principal Paying Agent). Termination shall not affect any rights or obligations (including but not limited to those arising under Clauses 6.4, 7, 9 and/or 10) which have accrued at the time of termination or which accrue thereafter in relation to any act or omission or alleged act or omission which occurred before termination.

## **12. APPOINTMENT OF NEW DEALERS**

12.1 The Issuer and the LLP may at any time appoint one or more New Dealers for the duration of the Programme or, with regard to an issue of a particular Tranche of Covered Bonds, one or more New

Dealers for the purposes of that Tranche, in either case upon the terms of this Agreement. Unless an appointment is made in a Subscription Agreement, any appointment shall be made by:

- (a) the delivery by the New Dealer to the Issuer of an appropriate Dealer Accession Letter; and
- (b) the delivery by the Issuer to the New Dealer of an appropriate Confirmation Letter.

12.2 Upon receipt of the relevant Confirmation Letter or execution of the relevant Subscription Agreement, as the case may be, each New Dealer shall, subject to the terms of the relevant Dealer Accession Letter or the relevant Subscription Agreement, as the case may be, become a party to this Agreement, vested with all authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer under this Agreement **provided that**, except in the case of the appointment of a New Dealer for the duration of the Programme, following the Issue Date of the relevant Tranche, the relevant 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 relevant Tranche.

12.3 The Issuer shall promptly notify the Dealers, the Bond Trustee, the Security Trustee and the Principal Paying Agent of any appointment of a New Dealer for the duration of the Programme by supplying to them a copy of any Dealer Accession Letter and Confirmation Letter. Such notice shall be required to be given in the case of an appointment of a New Dealer for a particular Tranche of Covered Bonds to the Bond Trustee, the Security Trustee and the Principal Paying Agent only.

### **13. ACCESSION OF A NEW SELLER**

13.1 Where any member of the Enlarged Santander UK Group (other than the Seller) wishes to sell Loans and Related Security to the LLP, it shall be a condition precedent to such sale that such member of the Enlarged Santander UK Group accedes to and agrees to be bound by the terms of this Agreement. Such accession shall be effected by:

- (a) the delivery by the New Seller to the Issuer and the LLP of an appropriate Seller Accession Letter, a New Mortgage Sale Agreement executed by the New Seller and any other documents as are required by the Security Trustee, the Bond Trustee, the LLP and/or the Cash Manager to be entered into by the New Seller;
- (b) the delivery by the Issuer to the New Seller and the Dealers of an appropriate Seller Confirmation Letter, a copy of the New Mortgage Sale Agreement executed by the New Seller, the LLP and the Security Trustee and copies of any other documents referenced in paragraph (a) of Clause 13.1 above executed as necessary by the New Seller and any of the parties to the Transaction Documents; and
- (c) the delivery by the New Seller to the Issuer and the Dealers of items 1-4 (inclusive) described in Part 1 of the Initial Documentation List.

13.2 Upon receipt of the relevant Seller Confirmation Letter, the executed New Mortgage Sale Agreement and the other documents referenced in paragraph (b) of Clause 13.1 above, each New Seller shall, subject to the terms of the relevant Seller Accession Letter, become a party to this Agreement, vested with all authority, rights, powers, duties and obligations of the Seller under this Agreement.

13.3 The Issuer shall promptly notify the other Sellers, the Dealers, the Bond Trustee, the Security Trustee and the Principal Paying Agent of any appointment of a New Seller by supplying to them a copy of any Seller Accession Letter, the Seller Confirmation Letter, the executed New Mortgage Sale Agreement and the other documents referenced in paragraph (b) of Clause 13.1 above.

## **14. INCREASE IN THE AGGREGATE NOMINAL AMOUNT OF THE PROGRAMME**

- 14.1 From time to time the Issuer and the LLP may increase the aggregate nominal amount of the Covered Bonds that may be issued under the Programme by delivering to the Authorised Adviser and/or, as the case may be, the Listing Agent and the Dealers (with a copy to the Bond Trustee, the Security Trustee and the Principal Paying Agent) a letter substantially in the form set out in Appendix 5. Upon the date specified in the notice and subject to satisfaction of the conditions precedent set out in Clause 14.2, all references in the Transaction Documents to a Programme of a certain nominal amount shall be deemed to be references to a Programme of the increased nominal amount.
- 14.2 Notwithstanding Clause 14.1, the right of the Issuer and the LLP to increase the aggregate nominal amount of the Programme shall be subject to each Dealer having received and found satisfactory all the documents and confirmations described in Part 2 of the Initial Documentation List (with such changes as may be relevant with reference to the circumstances at the time of the proposed increase as are agreed between the Issuer, the LLP and the Dealers), and the satisfaction of any further conditions precedent that any of the Dealers may reasonably require, including, without limitation, the production of a supplementary Prospectus by the Issuer and the LLP and any further or other documents required by the relevant authority or authorities for the purpose of listing or admitting to trading any Covered Bonds to be issued under the increased Programme on the relevant Stock Exchange. The Arranger shall circulate to the Dealers all the documents and confirmations described in Part 2 of the Initial Documentation List and any further conditions precedent so required. Any Dealer must notify the Arranger and the Issuer within four London Business Days of receipt if it considers, in its reasonable opinion, that any of the documents, confirmations and, if applicable, further conditions precedent are unsatisfactory and, in the absence of such notification, each Dealer shall be deemed to consider the documents and confirmations to be satisfactory and any further conditions precedent to be satisfied.

## **15. STATUS OF THE ARRANGER**

- 15.1 Each of the Dealers agrees that the Arranger has only acted in an administrative capacity to facilitate the establishment and/or maintenance of the Programme and has no responsibility to them for (a) the adequacy, accuracy, completeness or reasonableness of any representation, warranty, undertaking, agreement, statement or information in the Prospectus, any Final Terms Document, this Agreement or any information provided in connection with the Programme or (b) the nature and suitability to it of all legal, tax and accounting matters and all documentation in connection with the Programme or any Tranche.
- 15.2 The Arranger shall have only those duties, obligations and responsibilities expressly specified in this Agreement or unless otherwise agreed between the parties hereto.

## **16. COUNTERPARTS**

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.

## **17. COMMUNICATIONS**

- 17.1 All communications shall be by fax or letter delivered by hand or first-class post or by telephone. Each communication shall be made to the relevant party at the fax number or address or telephone number and, in the case of a communication by fax or letter specified against its name in Appendix 8 (Notice Details) (or, in the case of a Dealer not originally party hereto, specified by notice to the Issuer, the LLP and the other Dealers at or about the time of its appointment as a Dealer generally with respect to the Programme), marked for the attention of, or (in the case of a communication by

telephone) made to, the person or department from time to time specified in writing by that party to the others for the purpose.

- 17.2 A communication shall be deemed received (if by fax) when an acknowledgement of receipt is received, (if by telephone) when made or (if by letter delivered by hand) when delivered, or (if by letter sent by first-class post) three days, in the case of inland post, in 14 days, in the case of overseas post, after despatch, in each case in the manner required by this Clause. However, if a communication is received after business hours on any business day or on a day which is not a business day in the place of receipt it shall be deemed to be received and become effective at the opening of business on the next business day in the place of receipt. Every communication shall be irrevocable save in respect of any manifest error in it.

## 18. TRANSFER

- 18.1 In any case where there is a substitution of a New Entity in place of the Issuer as principal debtor under and in accordance with the Trust Deed, the Covered Bonds, the Receipts and the Coupons pursuant to the Trust Deed, such New Entity will automatically be substituted in place of the Issuer as a party to this Agreement without any prior approval thereof being required from the Dealers and the expression "Issuer" wherever used in this Agreement shall include any such New Entity **provided that**, where the substitute is the successor entity or transferee company of the Issuer, the Covered Bond Guarantee shall remain in place *mutatis mutandis* in relation to the obligations of the New Entity.
- 18.2 In the event of any such substitution, any opinions obtained by the Bond Trustee pursuant to clauses 20.3(b)(iv) and 20.4(b)(iii) of the Trust Deed shall also be addressed to the Dealers.
- 18.3 A Dealer may only assign or transfer its rights or obligations under this Agreement with the prior written consent of the Issuer and the LLP except for an assignment of all of a Dealer's rights and obligations hereunder in whatever form such Dealer determines may be appropriate to a partnership, corporation, trust or other organisation in whatever form that may succeed to all or substantially all of such Dealer's assets and business and that assumes such obligations by contract, operation of law or otherwise.
- 18.4 If the Dealers assign their rights or transfer their obligations as provided in this Clause, the relevant assignee or transferee shall be treated as if it were a party to this Agreement with effect from the date on which such assignment or transfer takes effect; **provided that** any transfer shall only become effective when the Issuer has received an undertaking from the transferee to be bound by this Agreement and to perform the obligations transferred to it. Such assignment or transfer shall not affect any rights or obligations (including but not limited to, those arising under Clauses 7, 9 and 10) which have accrued at the time of assignment or transfer or which accrue thereafter to the parties in relation to any act or omission or alleged act or omission which occurred prior to such assignment or transfer.
- 18.5 The LLP may not assign or transfer its rights or obligations under this Agreement to any other party without the prior written consent of each of the other parties to this Agreement save that the LLP shall be entitled to assign by way of security all or any of its rights under this Agreement without such consent to the Security Trustee pursuant to the Deed of Charge and the Security Trustee may at its sole discretion assign without such consent all or any part of the Security created by the Deed of Charge upon an enforcement of the Security in accordance with the Deed of Charge.
- 18.6 This Agreement shall be binding upon and shall inure for the benefit of the Issuer, the LLP and each Dealer and their respective successors and permitted assigns.

## 19. CALCULATION AGENT

- 19.1 In the case of any Series of Covered Bonds which requires the appointment of a Calculation Agent, the Principal Paying Agent shall act as Calculation Agent unless the relevant Dealer or, as the case may be, the Lead Manager and the Issuer agree to appoint that Dealer or Lead Manager, or a person nominated by the Dealer or Lead Manager (a **Nominee**), as Calculation Agent.
- 19.2 Should a request be made to the Issuer for the appointment of that Dealer or Lead Manager as the Calculation Agent and the Issuer agrees to such request, the appointment shall be automatic upon the issue of the relevant Series of Covered Bonds and shall, except as agreed, be on the terms set out in the Calculation Agency Agreement as set out in Schedule 1 to the Agency Agreement, and no further action shall be required to effect the appointment of the Dealer or Lead Manager as Calculation Agent in relation to that Series of Covered Bonds, and the Schedule to the Calculation Agency Agreement shall be deemed to be duly annotated to include that Series. The name of the Dealer or Lead Manager so appointed will be entered in the applicable Final Terms Document.
- 19.3 Should a request be made to the Issuer for the appointment of a Nominee as the Calculation Agent and the Issuer agrees to such request, the Nominee shall agree with the Issuer in writing to its appointment as Calculation Agent on the terms set out in the Calculation Agency Agreement set out in Schedule 1 to the Agency Agreement and no further action shall be required to effect the appointment of the Nominee as Calculation Agent in relation to that Series of Covered Bonds, and the Schedule to the Calculation Agency Agreement shall be deemed to be duly annotated to include that Series. The name of the Nominee so appointed will be entered in the applicable Final Terms Document.

## 20. STABILISATION

- 20.1 In connection with the distribution of any Covered Bonds, the Dealer (if any) designated as the stabilising manager (the **Stabilising Manager**) (or any duly appointed person acting for the Stabilising Manager) in the applicable Final Terms Document may over-allot Covered Bonds or effect transactions which support the market price of the Covered Bonds at a level higher than that which might otherwise prevail. Any Stabilising Manager will not in doing so be deemed to act as an agent of the Issuer or the LLP and is authorised by the Issuer and the LLP to make all appropriate disclosure in relation to any such action.
- 20.2 Any stabilising action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Covered Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Covered Bonds and 60 days after the date of the allotment of the relevant Tranche of Covered Bonds. Any loss resulting from over-allotment and stabilisation shall be borne, and any net profit arising therefrom shall be retained, by the Stabilising Manager for its own account. Any stabilisation action or over-allotment will be conducted in accordance with all applicable laws and regulations.
- 20.3 Each of the Issuer and the LLP confirms that, in relation to each Tranche of Covered Bonds for which a Dealer is named as a Stabilising Manager in the applicable Final Terms Document, neither the Issuer nor the LLP have issued nor will issue, without the prior consent of that Dealer (such consent not to be unreasonably withheld), any press or other public announcement referring to the proposed issue of Covered Bonds unless the announcement adequately discloses that stabilising action may take place in relation to the Covered Bonds to be issued.

## **21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

Except with respect to paragraph (c) of Clause 5.8, and Clause 18.5 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.

## **22. GOVERNING LAW AND JURISDICTION**

- 22.1 This Agreement and every agreement for the issue and purchase of Covered Bonds as referred to in Clause 2 (including any non-contractual obligations arising out of or in connection with such agreements) shall be governed by, and construed in accordance with, the laws of England.
- 22.2 The Issuer and the LLP irrevocably agree for the benefit of the Dealers that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with this Agreement (including an action or proceeding relating to any non-contractual obligations arising out of or in connection with this Agreement) may be brought in such courts.
- 22.3 The Issuer and the LLP irrevocably waives any objection which it may have to the laying of the venue of any Proceedings in any such courts and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the English courts shall be conclusive and binding upon the Issuer and the LLP and may be enforced in the courts of any other jurisdiction.
- 22.4 Nothing contained in this Clause shall limit any right to take Proceedings against the Issuer or the LLP in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

## **23. EXERCISE OF CERTAIN RIGHTS**

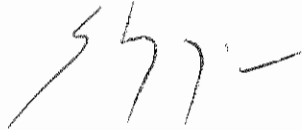
No Dealer shall, until the expiry of one year and one day after all sums outstanding and owing by the Issuer (whether contingently or otherwise) under the Transaction Documents have been paid or discharged in full, institute any corporate action or other steps or legal proceedings for the winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequester or similar officer of the LLP or of any or all of the LLP revenues and assets or analogous proceedings in any jurisdictions.

**THIS AGREEMENT** has been entered into on the date stated at the beginning of this Agreement.

## SIGNATORIES

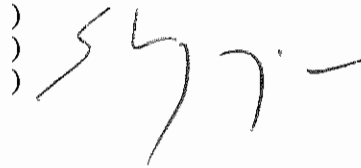
### The Issuer, the Seller and the Arranger

**SANTANDER UK PLC**  
acting by its attorney



### The LLP

**SIGNED by**  
**ABBHEY COVERED BONDS LLP**  
acting by its attorney



### The Dealers

**SIGNED by**  
**BANCO SANTANDER, S.A.**

By its duly authorised representatives:

By: .....

Name:

Title:

By: .....

Name:

Title:



## SIGNATORIES

### The Issuer, the Seller and the Arranger

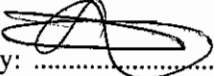
**SANTANDER UK PLC**  
acting by its attorney

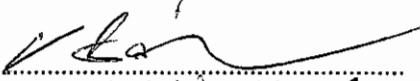
### The LLP

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

### The Dealers

**SIGNED by**  
**BANCO SANTANDER, S.A.**  
By its duly authorised representatives:

By:  .....  
Name: E. B. W. D. R. S. T. O. N. E  
Title: V. P.

By:  .....  
Name: R. B. A. O. C. H. E. R. A  
Title: E. D.

SIGNED by  
BARCLAYS BANK PLC

)   
) **Francesca Elisabetta Spinelli Barrile**  
Authorised Attorney

SIGNED by  
BNP PARIBAS

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SIGNED by  
COMMERZBANK AKTIENGESELLSCHAFT

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SIGNED by  
DEUTSCHE BANK AG, LONDON BRANCH  
By its duly authorised signatories:

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By: .....  
Name:  
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By: .....  
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SIGNED by  
HSBC BANK PLC

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SIGNED by  
NATIXIS

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SIGNED by  
SOCIÉTÉ GÉNÉRALE

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BARCLAYS BANK PLC )

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BNP PARIBAS )

  
GHANEM AL-ARAJ  
AUTHORISED SIGNATORY

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COMMERZBANK AKTIENGESELLSCHAFT )

SIGNED by )  
DEUTSCHE BANK AG, LONDON BRANCH )  
By its duly authorised signatories:

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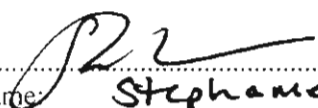
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DEUTSCHE BANK AG, LONDON BRANCH )  
By its duly authorised signatories:

By:   
Name: Stephanie Lincoln  
Title: Legal Counsel

By:   
Name: Rachel Horrocks  
Title: Legal Counsel

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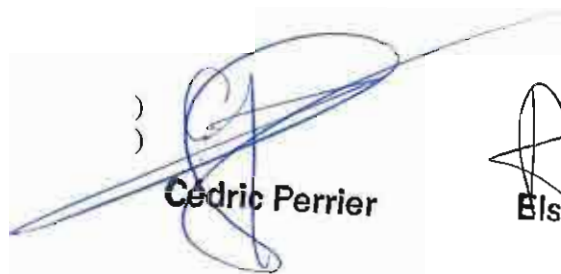
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**SOCIÉTÉ GÉNÉRALE** )

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)  
  
**Cedric Perrier**

  
**Elsa Martin**

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BARCLAYS BANK PLC )

SIGNED by )  
BNP PARIBAS )

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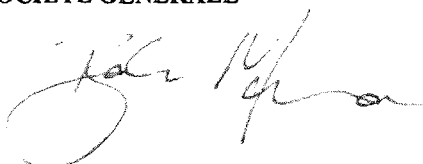
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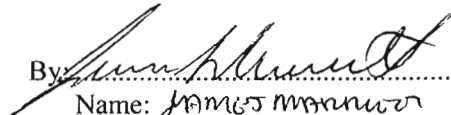


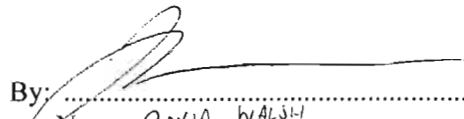
**Brendon Moran**  
**Global Co-Head of Corporate Origination**



SIGNED by  
UBS LIMITED

)  
)

By:   
Name: James Morrison  
Title: Managing Director

By:   
Name: David Walsh  
Title: Associate Director

SIGNED by  
UNICREDIT BANK AG

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By: .....  
Name:  
Title:

By: .....  
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**SIGNED by**  
**UBS LIMITED**

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**SIGNED by**  
**UNICREDIT BANK AG**

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By: .....  
Name:   
Title: **Claus Fincke**

By: .....  
Name:   
Title: **Bianca Bucek**

## **APPENDIX 1**

### **INITIAL DOCUMENTATION LIST**

#### **PART 1**

### **INITIAL DOCUMENTATION LIST**

1. A certified copy of the constitutional documents of the Issuer, the Seller and the LLP.
2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Issuer, the Seller and the LLP:
  - (a) to approve its entry into the Transaction Documents to which it is a party and, in the case of the Issuer, the issue of Covered Bonds;
  - (b) to authorise appropriate persons to execute each of the Transaction Documents to which it is a party and, in the case of the Issuer, any Covered Bonds and to take any other action in connection therewith; and
  - (c) to authorise appropriate persons to enter into agreements with any Dealer on behalf of the Issuer to issue Covered Bonds in accordance with Clause 2 of this Agreement.
3. A certified list of the names, titles and specimen signatures of the persons authorised on behalf of the Issuer, the Seller and the LLP in accordance with paragraph 2.
4. Certified copies of any relevant other governmental or other consents, authorisations and approvals required for the Issuer to issue or for the LLP to guarantee payments of principal and interest under the Covered Bonds, for the Issuer, the Seller and the LLP to execute and deliver the Transaction Documents to which they are respectively a party and for the Issuer, the Seller and the LLP to fulfil their respective obligations under the Transaction Documents to which each is a party.
5. Confirmation that one or more master Temporary Global Covered Bonds, master Permanent Global Covered Bonds, master Regulation S Global Covered Bonds and master Rule 144A Global Covered Bonds (from which copies can be made for each particular issue of Covered Bonds), duly executed by a person or persons authorised to take action as specified in paragraph 2(b) above, have been delivered to the Principal Paying Agent or the Registrar, as appropriate.
6. Legal opinions addressed to each of the Dealers, the Bond Trustee and the Security Trustee dated on or after the date of this Agreement, in such form and with such content as the Dealers, the Bond Trustee and the Security Trustee may reasonably require, from:
  - (a) Allen & Overy LLP, legal advisers to the Dealers as to English law and United States law;
  - (b) Elliot Duffy Garrett, legal advisers to the Issuer, the LLP and the Seller as to Northern Irish law; and
  - (c) Shepherd and Wedderburn LLP, legal advisers to the Issuer, the LLP and the Seller as to Scots law.
7. A legal opinion addressed to each of the Bond Trustee and the Security Trustee dated on or after the date of this Agreement, in such form and with such content as the Bond Trustee and the Security Trustee may reasonably require, from Slaughter and May, legal advisers to the Issuer, the LLP and the Seller as to English law.

8. In relation to the issue of Rule 144A Covered Bonds only, letters regarding disclosure matters addressed to the Dealers, in such form and with such content as the Dealers may reasonably require, from Cleary Gottlieb Steen & Hamilton LLP, legal advisors to the Issuer, the LLP and the Seller as to United States law.
9. A conformed copy of each Transaction Document and confirmation that executed copies of each Transaction Document have been delivered, in the case of the Trust Deed, to the Bond Trustee, in the case of the Deed of Charge, to the Security Trustee and, in the case of the Agency Agreement, to the Bond Trustee and the Principal Paying Agent (for itself and the other agents party thereto).
10. Confirmation of the execution and delivery by the Issuer of the Programme effectuation authorisation to each of Euroclear and Clearstream, Luxembourg (the **ICSDs**), the execution and delivery of an Issuer-ICSD Agreement by the parties thereto and the making by the Principal Paying Agent of a common safekeeper election in accordance with clause 2.8 of the Agency Agreement.
11. A printed final version of the Prospectus.
12. Confirmation that application has been made for the Covered Bonds to be issued under the Programme to be admitted to the Official List and to trading on the London Stock Exchange's Regulated Market.
13. In relation to any issue of Covered Bonds which are to be cleared and settled through DTC, a copy of the DTC Letter of Representations duly signed by the Issuer and DTC.
14. Comfort letters from KPMG LLP as independent auditors of the LLP and the Issuer in such form and with such content as the Dealers may reasonably request.
15. Confirmation that the Programme has been rated "Aaa" by Moody's, "AAA" by S&P and "AAA" by Fitch.

## **PART 2**

### **INITIAL DOCUMENTATION LIST**

1. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Issuer and the LLP to approve the increase in the amount of the Programme.
2. Certified copies of any other governmental or other consents, authorisations and approvals required for the increase.
3. Confirmation that one or more master Temporary Global Covered Bonds, master Permanent Global Covered Bonds, master Regulations S Global Covered Bonds and master Rule 144A Global Covered Bonds (from which copies can be made for each particular issue of Covered Bonds), duly executed by a person or persons authorised to take action on behalf of the Issuer as specified in paragraph 2(b) of Part 1 of the Initial Documentation List, have been delivered to the Principal Paying Agent or the Registrar, as appropriate.
4. Confirmation that Covered Bonds to be issued under the increased Programme will be listed on the London Stock Exchange.
5. In relation to any issue of Covered Bonds which are to be cleared and settled through DTC, copy of the DTC Letter of Representations duly signed by the Issuer and DTC.
6. Legal opinions addressed to each of the Dealers, the Bond Trustee and the Security Trustee dated on or after the date of this Agreement, in such form and with such content as the Dealers, the Bond Trustee and the Security Trustee may reasonably require, from:
  - (a) Allen & Overy LLP, legal advisers to the Dealers as to English law and United States law;
  - (b) Elliot Duffy Garrett, legal advisers to the Issuer, the LLP and the Seller as to Northern Irish law; and
  - (c) Shepherd and Wedderburn LLP, legal advisers to the Issuer, the LLP and the Seller as to Scots law.
7. A legal opinion addressed to each of the Bond Trustee and the Security Trustee dated on or after the date of this Agreement, in such form and with such content as the Bond Trustee and the Security Trustee may reasonably require, from Slaughter and May, legal advisers to the Issuer, the LLP and the Seller as to English law.
8. Comfort letters from KPMG LLP as independent auditors of the LLP and the Issuer in such form and with such content as the Dealers may reasonably request.

## APPENDIX 2

### SELLING RESTRICTIONS

#### 1. United States

- 1.1 Each Dealer acknowledges that the Covered Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (**Regulation S**) or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer represents and agrees that it has not offered or sold any Covered Bonds, and will not offer or sell any Covered Bonds, within the United States or to, or for the account or benefit of, U.S. persons (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, and except in either case in accordance with Regulation S under the Securities Act.

Each Dealer also agrees that, at or prior to confirmation of sale of Covered Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Covered Bonds from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this Clause 1.1 have the meanings given to them by Regulation S.

- 1.2 Each Dealer understands that the Bearer Covered Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.
- 1.3 Each Dealer represents and agrees that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Covered Bond, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.
- 1.4 Until 40 days after the commencement of the offering of any Series of Regulation S Covered Bonds, an offer or sale of such Regulation S Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act, if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.
- 1.5 In addition, in respect of Bearer Covered Bonds where TEFRA D is specified in the applicable Final Terms Document:
- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the **D Rules**), each Dealer (i) represents that it has not offered or sold, and agrees that during the

restricted period it will not offer or sell, Bearer Covered Bonds to a person who is within the United States or its possessions or to a United States person, and (ii) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions Bearer Definitive Covered Bonds that are sold during the restricted period;

- (b) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Covered Bonds are aware that such Bearer Covered Bonds may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) each Dealer which is a United States person represents that it is acquiring Bearer Covered Bonds for purposes of resale in connection with their original issuance and that if it retains Bearer Covered Bonds for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6);
- (d) with respect to each affiliate that acquires Bearer Covered Bonds from a Dealer for the purpose of offering or selling such Bearer Covered Bonds during the restricted period, such Dealer repeats and confirms the representations and agreements contained in Clauses 1.5(a), 1.5(b), 1.5(c) and 1.5(e) on such affiliate's behalf; and
- (e) each Dealer agrees that it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii)) that purchases any Bearer Covered Bonds from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of Clauses 1.5(a), 1.5(b), 1.5(c) and 1.5(d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

Terms used in this Clause 1.5 have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the **Code**) and the U.S. Treasury regulations thereunder (the **Regulations**), including the D Rules.

- 1.6 In respect of Bearer Covered Bonds where TEFRA C is specified in the applicable Final Terms Document, each Dealer understands that under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (the **C Rules**) such Bearer Covered Bonds must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Covered Bonds within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Bearer Covered Bonds that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Dealer or such prospective purchaser is within the United States or its possessions or otherwise involve a U.S. office of the Dealer in the offer or sale of such Bearer Covered Bonds. Terms used in this Clause 1.6 have the meanings given to them by the Code and the Regulations, including the C Rules.
- 1.7 Notwithstanding anything above to the contrary, it is understood that Rule 144A Global Covered Bonds may be offered and sold pursuant to a private placement in the United States or to or for the account or benefit of U.S. Persons, and in connection therewith each Dealer represents and agrees that:
- (a) offers, sales, resales and other transfers of Covered Bonds made in the United States or to or for the account or benefit of U.S. Persons made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary

trading) shall be made with respect to Rule 144A Global Covered Bonds only and shall be effected pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

- (b) offers, sales, resales and other transfers of Rule 144A Global Covered Bonds made in the United States or to or for the account or benefit of U.S. Persons will be made only in private transactions (1) so long as the Covered Bonds are eligible for resale pursuant to Rule 144A under the Securities Act to institutional investors that are reasonably believed to qualify as qualified institutional buyers within the meaning of Rule 144A (each such institutional investor being hereinafter referred to as a **QIB**), (2) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available) and in each of such cases in accordance with any applicable securities laws of any State of the United States or other applicable jurisdiction or (3) pursuant to another available exemption from registration under the Securities Act (if any). Each Dealer agrees to notify the related purchaser of Rule 144A Global Covered Bonds of the private offering nature of such purchase and, accordingly, that such Covered Bonds are subject to the resale and other transfer restrictions referred to above. Neither any Dealer nor the Issuer or the LLP will be liable for any resales or other transfers made in violation of the foregoing conditions if such resale or transfer was not made by or through the party against whom such liability is sought to be imposed;
- (c) the Rule 144A Global Covered Bonds will be offered in the United States or to or for the account or benefit of U.S. persons only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act will be used in connection with the offering of the Rule 144A Global Covered Bonds in the United States;
- (d) no sale of Rule 144A Global Covered Bonds in the United States to any one QIB will be for less than U.S.\$200,000 (or the approximate equivalent in another Specified Currency) principal amount and no Covered Bonds will be issued in connection with such a sale in a smaller principal amount. If such purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or the approximate equivalent in another Specified Currency) principal amount of the Covered Bonds. The U.S.\$200,000 minimum purchase amount (or the approximate equivalent in another Specified Currency) applies to Covered Bonds of each maturity and interest rate (or method of calculating interest) and may not be spread among Covered Bonds of different maturities or interest rates (or methods of calculating interest);
- (e) each Rule 144A Global Covered Bond sold as a part of a private placement in the United States or to or for the account or benefit of U.S. Persons and each Regulation S Global Covered Bond or Definitive Regulation S Covered Bond shall contain a legend in substantially the form set out on the face of such Covered Bond in the Trust Deed; and
- (f) each Dealer may offer and sell Covered Bonds in the United States or to U.S. persons (as defined in Regulation S under the Securities Act) only if such Dealer is a registered broker-dealer in the United States or through its selling agent which is a registered broker-dealer in the United States in compliance with the Exchange Act.

- 1.8 The Issuer represents and agrees that any resale or other transfer, or attempted resale or other transfer of Covered Bonds sold as part of a private placement in the United States made other than in compliance with the restrictions set out in Clause 1.7 shall not be recognised by the Issuer or the LLP or any agent of the Issuer or the LLP and shall be void.



## 2. Public Offer Selling Restriction under the Prospectus Directive

2.1 In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Covered Bonds which are the subject of an offering contemplated by the Prospectus as completed by the Final Terms Document in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

- (a) **Authorised institutions:** at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) **Fewer than 100 offerees:** at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) **Other exempt offers:** at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

**provided that** no such offer of Covered Bonds referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

2.2 For the purposes of this provision, the expression "offer of Covered Bonds to the public" in relation to any Covered Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

## 3. United Kingdom

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the LLP or, in the case of the Issuer, would not, if it were not an authorised person, apply to the Issuer;
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the UK; and

- (c) in relation to Covered Bonds which have a maturity of less than one year (i) it is a person whose ordinary activities involve acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of section 19 of FSMA by the Issuer.

#### **4. Japan**

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the **FIEA**) and each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Covered Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

#### **5. The Netherlands**

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that any Covered Bonds with a maturity of less than 12 months and a denomination of less than €100,000 or its equivalent in another currency will only be offered in The Netherlands to professional market parties as defined in the Financial Supervision Act (*Wet op het financieel toezicht*) and the decrees issued pursuant thereto.

#### **6. Federal Republic of Germany**

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall only offer or sell Covered Bonds in the Federal Republic of Germany in compliance with the provisions of the German Securities Selling Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*) of 22 June 2005, or any other laws applicable in the Federal Republic of Germany governing the offer and sale of securities. Each Manager has also agreed, and each further Manager appointed under the Programme will be required to agree, that it shall not offer or sell the Covered Bonds in the Federal Republic in Germany in a manner which could result in the Issuer being subject to any licence requirement under the German Banking Act (*Kreditwesengesetz*).

#### **7. Republic of France**

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Covered Bonds to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms Document or any other offering material relating to the Covered Bonds and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, each as defined in, and in

accordance with, articles L.411-1, L.411-2, and D.411-1 to D.411-3 of the French Code *monétaire et financier* but excluding individuals referred to in Article D.411-1 11 2°.

## 8. Republic of Italy

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that the offering of the Covered Bonds has not been registered pursuant to Italian securities legislation and, accordingly, no Covered Bonds may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Covered Bonds be distributed in the Republic of Italy, except:

- (a) to professional investors ("*operatori qualificati*"), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of Commissione Nazionale per le Società e la Borsa (**CONSOB**) Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Furthermore, each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer, sale or delivery of the Covered Bonds or distribution of copies of the Prospectus or any other document relating to the Covered Bonds in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**); and
- (ii) in compliance with Article 129 of the Italian Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

## 9. General

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the LLP or any of the other Dealers shall have any responsibility therefor. Furthermore, they will not directly or indirectly offer, sell or deliver any Covered Bonds or distribute or publish any form of application, prospectus, advertisement or other offering material except under circumstances that will, to the best of their knowledge and belief, result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Covered Bonds by them will be made on the same terms.

None of the Issuer, the LLP or any of the Dealers represents that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other restrictions as the Issuer and the relevant Dealer(s) shall agree as a term of issue and purchase as indicated in the applicable Final Terms Document.

Each Dealer will, unless prohibited by applicable law, furnish to each person to whom they offer or sell Covered Bonds a copy of the Prospectus as then amended or supplemented or, unless delivery of the Prospectus is required by applicable law, inform each such person that a copy will be made available upon request. The Dealer is not authorised to give any information or to make any representation not contained in the Prospectus in connection with the offer and sale of Covered Bonds to which the Prospectus relates.

The Prospectus may be used by the Dealers for offers and sales related to market-making transactions in the Covered Bonds. The Dealer may act as principal or agent in these transactions. These sales will be made at prices relating to prevailing market prices at the time of sale. The Dealer does not have any obligation to make a market in the Covered Bonds, and any market-making may be discontinued at any time without notice.

### APPENDIX 3

## FORMS OF DEALER ACCESSION LETTERS AND CONFIRMATION LETTERS

### PART 1

#### FORM OF DEALER ACCESSION LETTER – PROGRAMME

[Date]

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

(the **Issuer**)

Attention: The Company Secretary

Dear Sirs,

**Santander UK plc**  
**Global Covered Bond Programme**

We refer to the Programme Agreement dated 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 9 September 2010, 9 September 2011, 12 July 2013 and 1 June 2016, entered into in respect of the above Global Covered Bond Programme and made between the Issuer, the LLP and the Dealers party to it (which agreement, as amended, supplemented or restated from time to time, is referred to as the **Programme Agreement**).

We confirm that we are in receipt of the following documents:

- (a) a copy of the Programme Agreement; and
- (b) a copy of current versions of all other documents delivered under Appendix 1 to the Programme Agreement as we have requested,

and have found them to our satisfaction<sup>1</sup>.

For the purposes of the Programme Agreement our notice details are as follows:

*[insert name, address, telephone, facsimile, telex (+ answerback) and attention].*

In consideration of the appointment by the Issuer and the LLP of us as a Dealer under the Programme Agreement we undertake, for the benefit of the Issuer, the LLP and each of the other Dealers, that we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement.

Terms used in this letter have the meanings given to them in the Programme Agreement.

This letter is governed by, and shall be construed in accordance with, English law.

---

<sup>1</sup> It is important to ensure that each original legal opinion and comfort letter permits it to be delivered to, and relied upon by, New Dealers, otherwise a side letter to this effect should be provided.

Yours faithfully,  
[*Name of New Dealer*]

By: .....

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

## PART 2

### FORM OF CONFIRMATION LETTER – PROGRAMME

[Date]

To: [Name and address of New Dealer]

Dear Sirs,

**Santander UK plc**  
**Global Covered Bond Programme**

We refer to the Programme Agreement dated 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 9 September 2010, 9 September 2011, 12 July 2013 and 1 June 2016 (which agreement, as further amended, supplemented or restated from time to time, is referred to as the **Programme Agreement**) entered into in respect of the above Global Covered Bond Programme and acknowledge receipt of your Dealer Accession Letter to us dated [specify].

We confirm that, with effect from today's date, you shall become a Dealer under the Programme Agreement in accordance with Clause 12.2 of the Programme Agreement.

Yours faithfully,

**SANTANDER UK PLC**

By: .....

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

### PART 3

#### FORM OF DEALER ACCESSION LETTER – COVERED BOND ISSUE

[Date]

To: Santander UK plc  
(the **Issuer**)

Dear Sirs,

**Santander UK plc**  
[Description of issue]  
(the **Covered Bonds**)

We refer to the Programme Agreement dated 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 9 September 2010, 9 September 2011, 12 July 2013 and 1 June 2016 and made between the Issuer, the LLP and the Dealers party to it (which agreement, as further amended, supplemented or restated from time to time, is referred to as the **Programme Agreement**).

We confirm that we are in receipt of the following documents:

- (a) a copy of the Programme Agreement; and
- (b) a copy of current versions of all other documents delivered under Appendix 1 of the Programme Agreement as we have requested,

and have found them to our satisfaction<sup>2</sup>.

For the purposes of the Programme Agreement our notice details are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the appointment by the Issuer and the LLP of us as a Dealer under the Programme Agreement in respect of the issue of the Covered Bonds we undertake, for the benefit of the Issuer, the LLP and each of the other Dealers, that, in relation to the issue of the Covered Bonds, we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement.

Terms used in this letter have the meanings given to them in the Programme Agreement.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully,

[Name of New Dealer]

By: .....

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

---

<sup>2</sup> It is important to ensure that each original legal opinion and comfort letter permits it to be delivered to, and relied upon by, New Dealers, otherwise a side letter to this effect should be provided.



## PART 4

### FORM OF CONFIRMATION LETTER – COVERED BOND ISSUE

[Date]

To: [Name and address of New Dealer]

Dear Sirs,

**Santander UK plc**  
**[Description of issue]**  
**(the Covered Bonds)**

We refer to the Programme Agreement dated 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 9 September 2010, 9 September 2011, 12 July 2013 and 1 June 2016 (which agreement, as further amended, supplemented or restated from time to time, is referred to as the **Programme Agreement**) and acknowledge receipt of your Dealer Accession Letter to us dated [*specify*].

We confirm that, with effect from today's date, in respect of the issue of the Covered Bonds, you shall become a Dealer under the Programme Agreement in accordance with Clause 12.2 of the Programme Agreement.

Yours faithfully,

**SANTANDER UK PLC**

By: .....

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

## APPENDIX 4

### FORMS OF SELLER ACCESSION LETTER AND SELLER CONFIRMATION LETTER

#### PART 1

#### FORM OF SELLER ACCESSION LETTER

[Date]

To: Santander UK plc  
(the **Issuer**)

[Abbey Covered Bonds LLP]  
(the **LLP**)

Dear Sirs,

**Santander UK plc**  
**Global Covered Bond Programme**

We refer to the Programme Agreement dated 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 9 September 2010, 9 September 2011, 12 July 2013 and 1 June 2016, entered into in respect of the above Global Covered Bond Programme and made between the Issuer, the LLP and the Dealers party to it (which agreement, as further amended, supplemented or restated from time to time, is referred to as the **Programme Agreement**).

We confirm that we are in receipt of the following documents:

- (a) a copy of the Programme Agreement;
- (b) a copy of the proposed New Mortgage Sale Agreement;
- (c) a copy of all other documents that the Security Trustee, the Bond Trustee, the LLP and/or the Cash Manager has required us to enter into in order to accede to the Programme; and
- (d) a copy of current versions of all other documents delivered under Appendix 1 to the Programme Agreement as we have requested,

and have found them to our satisfaction.

We have enclosed a copy of the New Mortgage Sale Agreement, which has been executed by us, along with a copy of each of the other documents referenced in paragraph (c) above executed as required.

We confirm that all of the conditions precedent to our appointment as Seller, as set out in Clause 13 of the Programme Agreement and Clause [●] of the New Mortgage Sale Agreement have been satisfied.

For the purposes of the Programme Agreement our notice details are as follows:

*[insert name, address, telephone, facsimile, telex (+ answerback) and attention].*

In consideration of the appointment by the Issuer and/or the LLP of us as a Seller under the Programme Agreement we undertake, for the benefit of the Issuer, the LLP, the existing Sellers and the Dealers, that we

will perform and comply with all the duties and obligations expressed to be assumed by the Seller under the Programme Agreement.

Terms used in this letter have the meanings given to them in the Programme Agreement.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully,

*[Name of New Seller]*

By: .....

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

## PART 2

### FORM OF SELLER CONFIRMATION LETTER

[Date]

To: [Name and address of New Seller]

Dear Sirs,

**Santander UK plc**  
**Global Covered Bond Programme**

We refer to the Programme Agreement dated 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 9 September 2010, 9 September 2011, 12 July 2013 and 1 June 2016 (which agreement, as further amended, supplemented or restated from time to time, is referred to as the **Programme Agreement**) entered into in respect of the above Global Covered Bond Programme and acknowledge receipt of your Seller Accession Letter to us dated [specify].

We confirm that, with effect from today's date, you shall become a Seller under the Programme Agreement in accordance with Clause 13.2 of the Programme Agreement.

Yours faithfully,

**SANTANDER UK PLC**

By: .....

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

## APPENDIX 5

### LETTER REGARDING INCREASE IN THE NOMINAL AMOUNT OF THE PROGRAMME

[Date]

To: The Dealers  
(as that expression is defined in the Programme Agreement dated 3 June 2005, as amended and restated on 4 October 2007, 20 May 2008, 9 September 2010, 9 September 2011, 12 July 2013 and 1 June 2016 and as further amended, supplemented and/or restated from time to time (the **Programme Agreement**))

Dear Sirs,

#### **Santander UK plc Global Covered Bond Programme**

We require, pursuant to Clause 14.1 of the Programme Agreement, that the aggregate nominal amount of the above Programme be increased to €[specify] from [specify date] whereupon (but subject as provided in the next paragraph) all references in the Transaction Documents will be deemed amended accordingly.

We understand that this increase is subject to the satisfaction of the condition set out in Clause 14.2 of the Programme Agreement, namely that each Dealer shall have received and found satisfactory all the documents and confirmations described in Part 2 of the Initial Documentation List (with such changes as may be relevant with reference to the circumstances at the time of the proposed increase, as are agreed between the Issuer, the LLP and the Dealers) and the satisfaction of any further conditions precedent that any of the Dealers may reasonably require.

Terms used in this letter have the meanings given to them in the Programme Agreement.

Yours faithfully,

**SANTANDER UK PLC**

By: .....

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

**APPENDIX 6**  
**FORM OF SUBSCRIPTION AGREEMENT**

**Santander UK plc**

**[DESCRIPTION OF ISSUE]**

[DATE]

To: [Names of Managers]  
(the **Managers**)

c/o [Name of Lead Managers]  
(the **Lead Managers**)

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

Dear Sirs,

Santander UK plc (the **Issuer**) proposes to issue [DESCRIPTION OF ISSUE] (the **Covered Bonds**) under the €35 billion Global Covered Bond Programme established by it. The Covered Bonds will be unconditionally and irrevocably guaranteed as to payments of interest and principal by Abbey Covered Bonds LLP (the **LLP**). 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, 12 July 2013 and 1 June 2016, made between the Issuer, the LLP 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 each Manager which is not a party to the Programme Agreement (each 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. Each New Dealer confirms that it is in receipt of the documents referenced below:
  - (a) a copy of the Programme Agreement; and
  - (b) 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 Managers for service of notices are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the Issuer appointing each New Dealer as a Dealer in respect of the Covered Bonds under the Programme Agreement, each New Dealer hereby undertakes, for the benefit of the Issuer, the LLP, the Lead Managers (for itself and each of the other Manager) 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 Lead Managers. The Issuer and the LLP confirm that each 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 each 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 Managers jointly and severally agree to purchase the Covered Bonds at a price of *[specify]*% of the principal amount of the Covered Bonds (the **Purchase Price**), being the issue price of *[specify]*% less a selling *[commission/concession]* of *[specify]*% of such principal amount and a combined underwriting commission of *[specify]*% of such principal amount.
3. For the purposes of this Agreement:
  - (a) the sum payable on the Issue Date shall be *[currency]*, representing the Purchase Price less any amount payable in respect of the Lead Managers' expenses as provided in the agreement referred to in Clause 4 of this Agreement;
  - (b) **Issue Date** means *[specify]*am (*[specify]* time) on *[specify]* or such other time and/or date as the Issuer and the Lead Managers on behalf of the Managers may agree;
  - (c) **Payment Instruction Date** means the Issue Date unless there is to be a pre-closing for the issue in which case it means the business day (being a day on which banks and foreign exchange markets are open for general business in London) prior to the Issue Date;
  - (d) **Time of Sale** means *[specify]*am/pm (*[specify]* time) on *[specify]*][.:/and
  - (e) **Issuer Written Information** means each of the documents listed in Annex 2 hereto *[in connection with the offer and sale of Rule 144A Covered Bonds, consider with the Issuer whether any marketing materials are to be agreed as Issuer Written Information].*
4. The arrangements in relation to expenses have been separately agreed between the Issuer and the Lead Managers or the Arranger.
5. The obligation of the Managers to purchase the Covered Bonds is conditional upon:
  - (a) the conditions set out in Clause 3.2 (other than that set out in paragraph (i) of Clause 3.2) of the Programme Agreement being satisfied as of the Payment Instruction Date;
  - (b) all of the applicable Transaction Documents being in full force and effect; and
  - (c) the delivery to the Lead Managers on the Payment Instruction Date of:
    - (i) 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 the LLP giving confirmation of the conditions described in paragraph (a);
    - (ii) 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;

- (iii) (A) the Issuer having furnished or caused to be furnished to the Managers, 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; (B) the LLP having furnished or caused to be furnished to the Managers, 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 (C) the relevant Seller having furnished or caused to be furnished to the Managers, the Bond 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;
- (iv) legal opinions addressed to the Managers dated the Payment Instruction Date in such form and with such contents as the Lead Managers, on behalf of the Managers, may reasonably require from Slaughter and May and Allen & Overy LLP as to English law, from Elliot Duffy Garrett as to Northern Irish law and from Shepherd and Wedderburn LLP as to Scots law;
- (v) comfort letters dated the date hereof and the Payment Instruction Date from the independent auditors of the Issuer and the LLP in such form and with such content as the Managers may reasonably request; and
- (vi) 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
- (vii) such other conditions precedent as the Lead Managers (on behalf of the Managers) 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 LLP 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 Managers, on behalf of the Managers, may in its discretion waive any of the aforesaid conditions (other than the conditions precedent contained in paragraphs (c) and (d) of Clause 3.2 of the Programme Agreement) or any part of them.

- 6. The Lead Managers, on behalf of the Managers, may, by notice to the Issuer and the LLP, 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 Managers (after consultation with the Issuer and the LLP 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 LLP 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** )  
**SANTANDER UK PLC** )  
acting by its attorney )

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

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

For: *[NAMES OF MANAGERS]*

By: .....

**ANNEX 1**  
**TO THE SUBSCRIPTION AGREEMENT**  
*[Form of Final Terms Document]*

**ANNEX 2**  
**TO THE SUBSCRIPTION AGREEMENT**  
*[Issuer Written Information]*

## APPENDIX 7

### FORM OF PRICING SUPPLEMENT

#### Pricing Supplement

Series No. [●]

This document does not constitute an offer to sell or the solicitation of an offer to buy any shares, debentures or securities of the Issuer. It does not comprise a prospectus or securities note for the purposes of EU Directive 2003/71/EC and has not been approved by the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 or by any other regulatory authority.

DATE: [ ]

**Santander UK plc**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]**

**unconditionally and irrevocably guaranteed as to payment of principal and interest by Abbey Covered Bonds LLP  
under the €35 billion Global Covered Bond Programme**

This document is the Pricing Supplement in relation to the Series of Covered Bonds referred to above. Words included in this document have the definition ascribed to them in the Prospectus. The particulars to be specified in relation to such Series are as follows:

Issuer:	Santander UK plc
Covered Bond Guarantor:	Abbey Covered Bonds LLP
Currency:	[ ]
Issuer swap provider:	[ ]
Aggregate Nominal Amount:	
(a) Series:	[ ]
(b) Tranche:	[ ]
Issue Date:	[ ]
Issue Price:	[ ]
(i) If syndicated, names of Managers:	[ ]
(ii) If non-syndicated, name(s) of Relevant Dealer(s):	[ ]
Commission Payable:	[ ]
Status of the Covered Bonds:	Senior
Status of the Guarantees:	Senior

Specified Denominations:	[   ]
Calculation Agent (if not the Agent under the Conditions):	[   ]
Fixed Rate Provisions	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this section)</i>
Rate of Interest:	[   ]
Interest Payment Dates:	[   ]
Day Count Fraction:	[   ]
Determination Date(s):	[   ]
Floating Rate Provisions	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this section)</i>
Specified Period(s)/Specified Interest Payment Dates:	[   ]
Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/specify other]
Screen Rate Determination:	
Reference Rate:	[   ]
Interest Determination Date(s):	[   ]
Relevant Screen Page:	[   ]
ISDA Determination:	
Floating Rate Option:	[   ]
Designated Maturity:	[   ]
Reset Date:	[   ]
Day Count Fraction:	[Actual/365]
	Actual/365 (Fixed)

	Actual/365 (Sterling)
	Actual/360
	30/360
	30E/360
	<i>Other]</i>
Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Conditions:	[   ]
Zero Coupon Provisions	
Accrual Yield:	[   ]% per annum
Reference Price:	[   ]
Any other formula/basis of determining amount payable:	[   ]
Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Condition 6(e)(iii) applies/specify other]
Final Maturity Date:	[   ]
Redemption/Payment Basis:	[Redemption at Par] [Index Linked Redemption] [Dual Currency Redemption] [Instalment] [Hard Bullet Covered Bond] [specify other]
Optional Early Redemption (Call):	[Applicable/Not Applicable]
Optional Early Redemption (Put):	[Applicable/Not Applicable]
Final Redemption Amount:	[Nominal Amount/specify other/see "Additional Information" below]
CUSIP Number:	[   ]
Listing:	[London Stock Exchange's Regulated Market/other (specify)/None]
Additional Information:	[   ]

**SIGNED** on behalf of  
**SANTANDER UK PLC:**

By: .....  
*Duly authorised*

**SIGNED** on behalf of  
**ABBAY COVERED BONDS LLP:**

By: .....  
*Duly authorised*

**APPENDIX 8**  
**NOTICE DETAILS**

**The Issuer, the Seller and the Arranger**

**SANTANDER UK PLC**

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

Telephone: +44 (0) 20 7756 7100  
Attention: Medium Term Funding

**The LLP**

**ABBEY COVERED BONDS LLP**

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

Telephone: +44 (0) 20 7756 7100  
Attention: Medium Term Funding

**The Dealers**

**BANCO SANTANDER, S.A.**

Address: Ciudad Grupo Santander  
Avda de Cantabria s/n  
28660 Boadilla del Monte  
Madrid  
Spain

Telephone: +34 91 289 59 07  
Fax: +34 91 257 13 76  
Attention: Head of Debt Capital Markets/Head of FI Syndicate Europe



## **BARCLAYS BANK PLC**

Address: 5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

Fax: +44 20 7516 7548

Attention: MTN Dealers

## **BNP PARIBAS**

Address: 10 Harewood Avenue  
London NW1 6AA  
United Kingdom

Telephone: +44 20 7595 8601

Fax: +44 20 7595 2555

Attention: MTN Desk

## **COMMERZBANK AKTIENGESELLSCHAFT**

Address: Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
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Attention: Group Legal Debt Securities

## **DEUTSCHE BANK AG, LONDON BRANCH**

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Attention: PPSN Trading Desk

## **HSBC BANK PLC**

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Attention: Transaction Management Group

## **NATIXIS**

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Attention: Legal Debt Issues/Fixed Income & Treasury

## **SOCIÉTÉ GÉNÉRALE**

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Attention: Syndicate Desk GLFI/SYN/CAP/BND

## **UBS LIMITED**

Address: 1 Finsbury Avenue  
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Attention: MTNs and Private Placements

## **UNICREDIT BANK AG**

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Telephone: +49 89 378 158 85  
Fax: +49 89 378 33 158 85  
Attention: DCM Syndicate FI A