

ISDA®

International Swaps and Derivatives Association, Inc.

NOVATION AGREEMENT

dated as of 2nd July 2018 among:

Abbey Covered Bonds LLP (the "LLP"), **Deutsche Trustee Company Limited** (the "Security Trustee" and together with the LLP, the "Remaining Parties"), **Abbey National Treasury Services plc** (the "Transferor")

AND

Santander UK plc (the "Transferee").

The Transferor and the Remaining Parties have entered into one or more Transactions as identified in the attached Annex I (each an "Old Transaction"), each evidenced by a Confirmation (an "Old Confirmation") subject to a 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of 14 October 2009 (as amended and supplemented from time to time, the "Old Agreement").

Previously, the Transferor, the Transferee and the Remaining Parties have entered into nine novation agreements in respect of the Old Transactions listed in Annex I hereto for the purpose of transferring such Old Transactions by novation to the Transferee, as also confirmed under this Novation Agreement. The parties have agreed to consolidate such previous novation agreements into this Novation Agreement including, in certain instances and where necessary for operational purposes, updating the novation dates in respect of the Old Transactions. This Novation Agreement supersedes all such prior novation agreements in respect of the Old Transactions.

Therefore, it is hereby agreed and confirmed that, with effect from and including each date indicated with respect to each particular Old Transaction in Annex I hereto to be a Novation Date with respect to such Old Transaction (each, a "Novation Date") the Transferor wishes to transfer by novation to the Transferee, and the Transferee wishes to accept the transfer by novation of, all the rights, liabilities, duties and obligations of the Transferor under and in respect of the Old Agreement and each Old Transaction, with the effect that the Remaining Parties and the Transferee enter into a new agreement, having terms identical to those of the Old Agreement except as set out in Annex II hereto (the "New Agreement") and a new transaction (each a "New Transaction") between them having terms identical to those of each Old Transaction, as more particularly described below.

The Remaining Parties wish to accept the Transferee as their sole counterparty with respect to the New Transactions.

The Transferor and the LLP wish to have released and discharged, as a result and to the extent of the transfer described above, their respective obligations under and in respect of the Old Transactions.

Accordingly, the parties agree as follows: ---

1. Definitions.

Terms defined in the ISDA Master Agreement (Multicurrency-Cross Border) as published in 1992 by the International Swaps and Derivatives Association, Inc., (the "1992 ISDA Master Agreement") are used herein as so defined, unless otherwise provided herein.

2. Transfer, Release, Discharge and Undertakings.

With effect from and including the Novation Date and in consideration of the mutual representations, warranties and covenants contained in this Novation Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties):

- (a) the LLP and the Transferor are each released and discharged from further obligations to each other with respect to each Old Transaction and their respective rights against each other thereunder are cancelled, provided that such release and discharge shall not affect any rights, liabilities or obligations of the LLP or the Transferor with respect to payments or other obligations due and payable or due to be performed on or prior to the Novation Date, and all such payments and obligations shall be paid or performed by the LLP or the Transferor in accordance with the terms of the Old Transaction;
- (b) in respect of each New Transaction, the LLP and the Transferee each undertake liabilities and obligations towards the other and acquire rights against each other identical in their terms to each corresponding Old Transaction (and, for the avoidance of doubt, as if the Transferee were the Transferor and with the Remaining Parties remaining the Remaining Parties, save for any rights, liabilities or obligations of the LLP or the Transferor with respect to payments or other obligations due and payable or due to be performed on or prior to the Novation Date); and
- (c) each New Transaction shall be governed by and form part of the New Agreement and the relevant Old Confirmation (which, in conjunction and as deemed modified to be consistent with this Novation Agreement, shall be deemed to be a Confirmation between the Remaining Parties and the Transferee), and the offices of the Remaining Parties and the Transferee for purposes of each New Transaction shall be (i) in the case of the Security Trustee, Winchester House, 1 Great Winchester Street, London EC2N 2DB and (ii) in the case of each of the LLP and the Transferee, 2 Triton Square, Regent's Place, London NW1 3AN, and the office of the Transferor for purposes of the Old Transaction shall have been 2 Triton Square, Regent's Place, London NW1 3AN.

3. Representations and Warranties.

- (a) On the date of this Novation Agreement and on each Novation Date:
 - (i) Each of the parties (other than the Security Trustee) makes to each of the other parties those representations and warranties set forth in Section 3(a) of the 1992 ISDA Master Agreement with references in such Section to "this Agreement" or "any Credit Support Document" being deemed references to this Novation Agreement alone.
 - (ii) The LLP and the Transferor each makes to the other and the Security Trustee, and the LLP and the Transferee each makes to the other and the Security Trustee, the representation set forth in Section 3(b) of the 1992 ISDA Master Agreement, in each case with respect to the Old Agreement or the New Agreement, as the case may be, and taking into account the parties entering into and performing their obligations under this Novation Agreement.
 - (iii) Each of the Transferor and the LLP represents and warrants to each other and to the Transferee and the Security Trustee that :
 - (A) except for the assignment by way of security of the LLP's interests under the Old Agreement under and in accordance with the deed of charge between, amongst others, the LLP and the Security Trustee originally dated 3 June 2005 and as most recently supplemented on 26 April 2016, it has made no prior transfer (whether by way of security or otherwise) of the Old Agreement or any interest or obligation in or under the Old Agreement or in respect of any Old Transaction; and

(B) as of the Novation Date, all obligations of the Transferor and the LLP under each Old Transaction required to be performed on or before the Novation Date have been fulfilled.

(b) The Transferor makes no representation or warranty and does not assume any responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of any New Transaction or the New Agreement or any documents relating thereto and assumes no responsibility for the condition, financial or otherwise, of the Remaining Parties, the Transferee or any other person or for the performance and observance by the Remaining Parties, the Transferee or any other person of any of its obligations under any New Transaction or the New Agreement or any document relating thereto and any and all such conditions and warranties, whether express or implied by law or otherwise, are hereby excluded.

4. Counterparts.

This Novation Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

5. Costs and Expenses.

The parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Novation Agreement and as a result of the negotiation, preparation and execution of this Novation Agreement except that the costs and expenses (including legal fees) of the Security Trustee shall be borne by the Transferee .

6. Amendments.

No amendment, modification or waiver in respect of this Novation Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

7. (a) Governing Law.

This Novation Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by and shall be construed in accordance with the laws of England.

(b) Jurisdiction.

The terms of Section 13(b) of the 1992 ISDA Master Agreement shall apply to this Novation Agreement with references in such Section to "this Agreement" being deemed references to this Novation Agreement alone.

8. The Security Trustee.

The parties acknowledge that the Security Trustee is a party to this Novation Agreement solely for the purposes of (i) the enforcement and preservation of its rights hereunder, and (ii) acknowledging the terms hereof.

9. Entire Agreement

This Novation Agreement shall supersede any prior agreements or understandings between the parties in relation to the subject matter of this Novation Agreement and this Novation Agreement constitutes the entire and only agreement between the parties in relation to the subject matter of this Novation Agreement. In the event that there is a provision in another agreement or understanding between the parties which is in conflict with a term of this Novation Agreement, such term of this Novation Agreement shall prevail.

IN WITNESS WHEREOF the parties have executed this Novation Agreement on the respective dates specified below with effect from and including each Novation Date.

Abbey Covered Bonds LLP

By: [Redacted]
.....
Name: [Redacted]
Title: *Authorised Signatory*
Date: 2nd July 2018

Deutsche Trustee Company Limited

By: [Redacted]
.....
Name: [Redacted]
Title: *Associate Director*
Date: 2nd July 2018

[Redacted]
.....
Name: [Redacted]
Title: *Associate Director*
Date: 2nd July 2018

Abbey National Treasury Services plc

By: [Redacted]
.....
Name: [Redacted]
Title: *Authorised Signatory*
Date: 2nd July 2018

Santander UK plc

By: [Redacted]
.....
Name: [Redacted]
Title: *Authorised Signatory*
Date: 2nd July 2018

ANNEX I

Identification of Old Transactions to be transferred by novation

Old Confirmations

Series	ISIN / Ref	Currency	Notional	Novation Date
3 Tranche 2	XS0589485274	EUR	250,000,000	19/03/2018
3 Tranche 3	XS0737402742	EUR	250,000,000	27/06/2018
3 Tranche 4	XS0765284467	EUR	600,000,000	19/03/2018
18	PP6WOM285	EUR	100,000,000	25/01/2018
19	PPWOM293	EUR	125,000,000	25/01/2018
20	XS0563569325	NOK	1,600,000,000	25/01/2018
21	PP60OXZ67	EUR	100,000,000	25/01/2018
23	XS0596191360	GBP	1,000,000,000	26/03/2018
24	XS0616897616	GBP	1,250,000,000	22/03/2018
25	PP6WOM322	EUR	100,000,000	11/05/2018
28	PP6123456789	EUR	53,000,000	01/02/2018
29	PP6123456790	EUR	100,000,000	27/03/2018
30	PP6123456791	EUR	30,000,000	01/02/2018
31	PP6123456792	EUR	30,000,000	19/03/2018
32	PP6123456793	EUR	88,000,000	27/06/2018
37	XS0746621704	GBP	750,000,000	27/03/2018
41	PP6123456794	EUR	47,000,000	21/05/2018
44	PP6123456795	EUR	127,000,000	22/03/2018
45	PP6123456796	EUR	75,000,000	19/03/2018
46	PP6123456797	EUR	108,000,000	19/03/2018
47	PP6123456798	EUR	50,000,000	23/02/2018
48	PP6123456799	EUR	45,000,000	25/01/2018
49	PP6123456800	EUR	35,000,000	23/02/2018
50	PP6123456801	EUR	40,000,000	23/02/2018

51	PP6123456802	EUR	76,000,000	23/02/2018
53	PP6123456803	EUR	100,000,000	01/02/2018
54	XS0962577168	EUR	50,000,000	22/03/2018
55	XS0963398796	EUR	50,000,000	01/02/2018
56	XS0997328066	EUR	1,000,000,000	16/03/2018
59 Tranche 1	XS1111559339	EUR	1,000,000,000	11/05/2018
59 Tranche 2	XS1440977343	EUR	100,000,000	01/02/2018
63	XS1360443979	EUR	1,000,000,000	15/05/2018

ANNEX II

Amendments to the Old Agreement

The parties agree that the New Agreement shall be on identical terms to the Old Agreement, subject to the following amendments:

- (a) Part 4(a) of the Old Schedule shall be amended by deleting the paragraph beginning with "Address: Abbey National Treasury Services plc" up to (but excluding) "Address for notices or communications to Party B:-", and replacing it with the following:

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

Attention: Medium Term Funding

Telephone: +44 207 756 7100

Email: MTF@santander.co.uk"

- (b) Part 4(f) of the Old Schedule shall be deleted in its entirety and replaced with the following:

"(f) **Credit Support Document.** Details of any Credit Support Document:-

In respect of Party A: none.

In respect of Party B: none."

- (c) Part 4(g) of the Old Schedule shall be deleted in its entirety and replaced with the following:

"(g) **Credit Support Provider.** Details of any Credit Support Provider:-

In respect of Party A: none.

In respect of Party B: none.

- (d) Part 5(m) of the Old Schedule shall be amended by:

(i) deleting the words "the parties to this Agreement on 8 September 2009" and replacing them with "the parties to this Agreement on 24 April 2018";

(ii) in the definition of "Eligible Guarantee", deleting the words "(a) the deed poll guarantee dated 29 January 2008 as may be replaced from time to time with a guarantee in substantially the same form, or (b)"; and

- (e) Paragraph 11(g) of the Old Credit Support Annex shall be amended by deleting the paragraphs beginning with "Details to be obtained from" up to (but excluding) Party B", and replacing them with the following:

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

Attention: Medium Term Funding

Telephone: +44 207 756 7100

Email: MTF@santander.co.uk"