

EXECUTION VERSION

**COVER POOL SWAP
AMENDMENT AGREEMENT**

16 JUNE 2020

**SANTANDER UK PLC
as Party A**

and

**ABBEY COVERED BONDS LLP
as Party B**

and

**DEUTSCHE TRUSTEE COMPANY LIMITED
as Security Trustee**

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THIS COVER POOL SWAP AMENDMENT AGREEMENT is made on 16 June 2020

BETWEEN:

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

WHEREAS:

- (A) The parties have previously entered into a 1992 ISDA Master Agreement (Multicurrency-Cross Border) including the Schedule thereto dated as of 25 May 2005, entered into between Abbey National Treasury Services plc, Party B and the Security Trustee, as amended and restated by the Amendment Agreement (as defined below) and as novated from Abbey National Treasury Services plc to Party A pursuant to the Novation Agreement (as defined below) and as further amended and supplemented from time to time (the **Interest Rate Swap Agreement**), including the interest rate swap transaction (the **Cover Pool Swap**) entered into pursuant to the terms of the Amendment Agreement and evidenced by the confirmation set out in Schedule 3 of the Amendment Agreement (the **Cover Pool Swap Confirmation**).
- (B) The parties have now agreed to amend the Cover Pool Swap Confirmation pursuant to this Cover Pool Swap Amendment Agreement.

IT IS HEREBY AGREED, in consideration of the mutual agreements and representations set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. DEFINITIONS

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

In this Cover Pool Swap Amendment Agreement:

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

Amendment Effective Date means 12 June 2020; and

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

2. AMENDMENT OF THE INTEREST RATE SWAP AGREEMENT

Without prejudice to the terms of the Amendment Agreement, with effect from and including the Amendment Effective Date, the Cover Pool Swap Confirmation shall be amended and restated in the manner set out in the Annex to this Cover Pool Swap Amendment Agreement.

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3. REPRESENTATIONS

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

4. MISCELLANEOUS

4.1 Entire Agreement, Restatement

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

4.2 Amendments

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

4.3 Counterparts

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

4.4 Headings

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

4.5 Contracts (Rights of Third Parties) Act

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

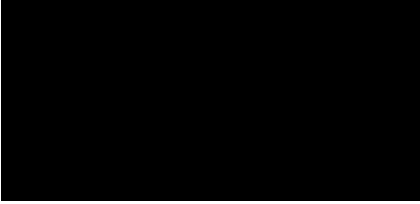
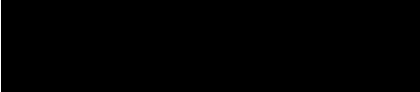
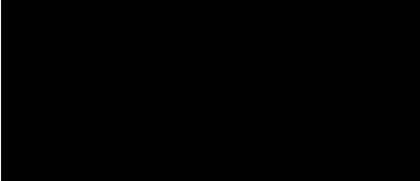
4.6 Governing Law

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

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

SANTANDER UK PLC

By: 
Name: 
Title: 
Date: 15 June 2020

ABBEY COVERED BONDS LLP

By: 
Name: 
Title: 
Date: 15 June 2020

DEUTSCHE TRUSTEE COMPANY LIMITED

By:
Name:
Title:
Date:

EXECUTION VERSION

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

SANTANDER UK PLC

By:

Name:

Title:

Date:

ABBEY COVERED BONDS LLP

By:

Name:

Title:

Date:

DEUTSCHE TRUSTEE COMPANY LIMITED

By:

Name:

Title:

Date:



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ANNEX

AMENDED AND RESTATED COVER POOL SWAP CONFIRMATION

COVER POOL SWAP CONFIRMATION

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

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

Attention: Medium Term Funding and Treasury Legal

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

Attention: Managing Director (ABS/MBS Group)

Dear Sirs,

Cover Pool Swap Confirmation in relation to the €35 billion Global Covered Bond Programme (the "Covered Bond Programme") of Santander UK plc and unconditionally and irrevocably guaranteed as to payments of interest and principal by Abbey Covered Bonds LLP

The purpose of this amended and restated letter (this **Confirmation**) is to confirm the terms and conditions of the Swap Transaction entered into between us, you and the Security Trustee on the Trade Date specified below, as amended as of 12 June 2020, and it amends and restates the confirmation dated as of the Trade Date.

This Confirmation constitutes a **Confirmation** as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated as of 25 May 2005 entered into between Abbey National Treasury Services plc, you and the Security Trustee as amended and restated by the Amendment Agreement (as defined below) and as novated from Abbey National Treasury Services plc to Party A pursuant to the Novation Agreement (as defined below) and as further amended and supplemented from time to time (the **Agreement**).

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the **Definitions**) are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation shall prevail. Any terms not otherwise defined herein or in the Definitions shall have the meanings given to them in the Amended and Restated Master Definitions and Construction Agreement made between, inter alios, the parties to the Agreement on 24 April 2018 (as the same may be amended, varied or supplemented from time to time with the consent of certain parties thereto) (the **Master Definitions and Construction Agreement**). The rules of interpretation set out in the Master Definitions and Constructions Agreement shall apply to this Confirmation.

The term **Transaction** as used herein shall, for the purposes of the Definitions, have the same meaning as **Swap Transaction**.

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

Asset Coverage Test has the meaning specified in the Master Definitions and Construction Agreement.

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

Average Loan Balance Performance, means in respect of any Portfolio Calculation Period, the quotient of (i) the total amount of interest paid to Party B on the outstanding balance of the Loans in the Portfolio during the Portfolio Calculation Period and (ii) the total amount of interest due and payable to Party B on the outstanding balance of the Loans in the Portfolio during the Portfolio Calculation Period.

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

Cash Manager and **Cash Management Agreement** have the meaning specified in the Master Definitions and Construction Agreement

Covered Bond Swap has the meaning specified in the Master Definitions and Construction Agreement.

GIC Account has the meaning specified in the Master Definitions and Construction Agreement.

GIC Account Performance means the quotient of (i) the Relevant GIC Account Interest Received attributable to the calendar month ending immediately prior to the relevant LLP Payment Date and (ii) the Relevant GIC Account Interest Due attributable to the calendar month ending immediately prior to the relevant LLP Payment Date.

GIC Balance has the meaning specified in the Master Definitions and Construction Agreement.

GIC Swap Balance means the lesser of:

- (a) an amount equal to the greater of :
 - (i) the sum of the Reserve Fund Balance and the Sale of Selected Loans Proceeds; and
 - (ii) the total amount which would need to be deposited in the GIC Account such that if such date was a day on which the Asset Coverage Test was tested, the Asset Coverage Test would be satisfied, and
- (b) the GIC Balance.

LLP Deed has the meaning specified in the Master Definitions and Construction Agreement.

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

LLP Payment Period has the meaning specified in the Master Definitions and Construction Agreement.

Mortgage Sale Agreement has the meaning specified in the Master Definitions and Construction Agreement.

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

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

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

Relevant GIC Account Interest Received means the total amount of interest received by Party B in respect of the GIC Swap Balance.

Relevant GIC Account Interest Due means the total amount of interest due to Party B in respect of the GIC Swap Balance.

Reserve Fund Balance means, on any day, the amount noted on the Reserve Ledger as at the opening of business in London on such day, or where no Reserve Ledger is required to be kept, the last recorded amount on the Reserve Ledger plus any additional amount which has been added to the Reserve Fund in the period since the Reserve Ledger was last maintained as at the opening of business on such day.

Reserve Fund has the meaning specified in the Master Definitions and Construction Agreement.

Reserve Ledger has the meaning specified in the Master Definitions and Construction Agreement.

Sale of Selected Loans Proceeds means, on any day, any amount that has been credited to the GIC Account which represents the proceeds of the sale of Selected Loans following a sale of Selected Loans made pursuant to clause 19 (*Sale of Selected Loans*) of the LLP Deed, as at the opening of business in London on such day.

Seller has the meaning specified in the Master Definitions and Construction Agreement.

Substitution Assets has the meaning specified in the Master Definitions and Construction Agreement.

Substitution Asset Performance means in respect of any Portfolio Calculation Period the quotient of (i) the total amount of interest received by Party B during a Portfolio Calculation Period in relation to any Substitution Assets and (ii) the total amount of interest due and payable to Party B during a Portfolio Calculation Period in relation to any Substitution Assets.

Swap Reversion Date means a date designated by Party A by 30 Local Business Days' notice to each of Party B and the Security Trustee.

Term Advance has the meaning specified in the Master Definitions and Construction Agreement.

The terms of the Transaction to which this Confirmation relates are as follows:

1. **General Terms**

Party A: Santander UK plc

Party B: Abbey Covered Bonds LLP

Trade Date:	The Effective Date
Effective Date:	Has the meaning given to such term in the Amendment Agreement.
Termination Date:	The earlier of: <ul style="list-style-type: none"> (i) the Swap Reversion Date or (ii) the date on which all Covered Bonds issued under the Covered Bond Programme have been repaid or redeemed in full; and (iii) the date on which the Average Loan Balance is reduced to zero.
Business Day:	London
Business Day Convention:	Modified Following
Calculation Agent:	Party A

2. Party A Floating Amounts

Floating Rate Payer:	Party A.
Floating Rate Payer Calculation Periods:	Each LLP Payment Period except that (i) the first period shall commence on (and include) the Effective Date and end on (but exclude) the next following LLP Payment Date and (ii) the final period shall end on, but exclude, the Termination Date.
Floating Rate Payer Payment Dates:	In respect of each Floating Rate Payer Calculation Period, the LLP Payment Date falling at the end of that period to and including the Termination Date, commencing with the first LLP Payment Date following the Effective Date.
Floating Rate Payer Calculation Amount:	In respect of an LLP Payment Period an amount (in Sterling) equal to the sum of: <ul style="list-style-type: none"> (i) the product of the Average Loan Balance during the Portfolio Calculation Period ending immediately prior to the relevant LLP Payment Period and the Average Loan Balance Performance; (ii) the product of the average GIC Swap Balance during the calendar month ending immediately prior to the relevant LLP Payment Date and the GIC Account Performance; and (iii) the product of the average aggregate nominal amount of any Substitution Assets during the Portfolio Calculation Period ending immediately prior to the relevant LLP Payment Period and the Substitution Asset Performance.
Floating Rate Payer Day Count Fraction:	Actual/365

Floating Rate:

In respect of each day within the Floating Rate Payer Calculation Period, the Calculation Agent shall determine the weighted average (calculated by reference to the notional amount of each Covered Bond Swap and the amount outstanding in respect of each Term Advance) of:

- (a) in respect of each then outstanding Series of Covered Bonds in respect of which a Covered Bond Swap has been entered into by Party B, the Floating Rate that would be determined in accordance with the terms of such relevant Covered Bond Swap for a Party B Calculation Period (as defined in the relevant Covered Bond Swap Confirmation) which is the same as the Floating Rate Payer Calculation Period;
- (b) in respect of each then outstanding Series of Covered Bonds in respect of which a Covered Bond Swap has not been entered into by Party B and the Term Advance relating to such Series of Covered Bonds bears interest based on LIBOR, the rate of interest (not including the margin) payable by Party B in respect of such date under the Term Advances in respect of such Series of Covered Bonds; and
- (c) in respect of all other then outstanding Series of Covered Bonds, the Floating Rate Option.

The Calculation Agent shall then divide the sum of the weighted average rates determined in respect of each date within the Floating Rate Payer Calculation Period by the actual number of days in the relevant Floating Rate Payer Calculation Period to determine the Floating Rate.

Floating Rate Option:

GBP-SONIA-COMPOUND

GBP-SONIA-COMPOUND:

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

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

Where:

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

d_o for any Floating Rate Payer Calculation Period, is the number of London banking days in the relevant Reference Period;

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

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

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

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

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

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

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

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

respect of the relevant Floating Rate Payer Calculation Period, the Calculation Agent determines that the SONIA reference rate is not available on the relevant screen page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London banking day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous *p* London banking days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

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

Floating Rate Payer Spread: 1.86 per cent. per annum until further notice.

Such Floating Rate Payer Spread may be amended at the sole discretion of Party A by way of written notice provided that the Rating Agencies have confirmed to the Security Trustee in writing, that such other rate will not cause the then current rating of the Covered Bonds to be downgraded or placed under review for possible downgrade.

Floating Rate Payer Reset Dates In respect of each Floating Rate Payer Calculation Period, the *p* London banking day prior to the Floating Rate Payer Payment Date immediately following the last day of such Floating Rate Payer Calculation Period.

3. **Cover Pool Payments** Party B shall pay the Cover Pool Payer Amounts to Party A on the Cover Pool Payer Payment Dates

Cover Pool Payer: Party B

Cover Pool Payer Amount: In respect of each Cover Pool Payer Payment Date, an amount in Sterling equivalent to the sum of:

- (i) the total amount of interest paid to Party B on the outstanding balance of the Loans in the Portfolio for the Portfolio Calculation Period ending immediately prior to

the relevant Cover Pool Payer Payment Date;

- (ii) the Relevant GIC Account Interest Received attributable to the calendar month ending immediately prior to the relevant Cover Pool Payer Payment Date; and
- (iii) the total amount of interest paid to Party B during such Portfolio Calculation Period in respect of any Substitution Assets.

Cover Pool Payer Payment Dates:

In respect of a Portfolio Calculation Period, the LLP Payment Date falling immediately after the end of that Portfolio Calculation Period to and including the Termination Date commencing with the first LLP Payment Date following the Effective Date.

4. **Account Details**

Payments to Party A: To be advised.

Payments to Party B: To be advised.

5. **Notice Details**

Party A:

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

Telephone: +44 (0) 20 7756 7100

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

Attention: Medium Term Funding and Treasury Legal

Party B:

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

Telephone: +44 (0) 20 7756 7100

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

Attention: Medium Term Funding and Treasury Legal

**With a copy to the Security
Trustee:**

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

Attention: Managing Director (ABS/MBS Group)