

SUBSCRIPTION AGREEMENT

Abbey National Treasury Services plc

**Series 61 €1,000,000,000 0.25% Covered Bonds due 21 April 2022 (XS1220923996)**  
**unconditionally guaranteed by Santander UK plc**  
**irrevocably and unconditionally guaranteed as to payment of principal and interest by**  
**Abbey Covered Bonds LLP**  
**under the €35 billion**  
**Global Covered Bond Programme**

20 April 2015

To: Banco Santander, S.A., ABN AMRO Bank N.V., Natixis, UniCredit Bank AG,  
Nomura International plc  
(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,

Abbey National Treasury Services plc (the "**Issuer**") proposes to issue Series 61 €1,000,000,000 0.25% Covered Bonds due 21 April 2022 (XS1220923996) (the "**Covered Bonds**") under the €35 billion Global Covered Bond Programme established by it. The Covered Bonds will be unconditionally and irrevocably guaranteed by Santander UK plc ("**Group Guarantor**") and unconditionally and irrevocably guaranteed as to payments of interest and principal by Abbey Covered Bonds LLP (the "**LLP**" and, together with the Group Guarantor, the "**Guarantors**"). The terms of the issue shall be as set out in the form of Final Terms Document attached to this Agreement as Annex 1.

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

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

1. This Agreement appoints each Lead 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:
  - 1.1. a copy of the Programme Agreement; and
  - 1.2. a copy of such of the documents delivered under Appendix 1 of the Programme Agreement as it has requested and finds the same to be satisfactory or (in the case of any or all of such documents) has waived such delivery.

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

**Banco Santander, S.A.**

Ciudad Grupo Santander  
Edificio Encinar,  
Avenida de Cantabria s/n  
28660, Boadilla del Monte,  
Madrid, Spain

Telephone: + 34 91 257 2026 / 91 257 2029  
Fax: + 34 91 257 13 76

Attention: Head of Debt Capital Markets/ Head of FI Syndicate Europe

**Natixis**

47 Quai d'Austerlitz  
75013 Paris  
France

Telephone: + 33 1 58 55 64 01  
Fax: + 33 1 58 55 27 99

Attention: Legal Debt Issues / Fixed Income & Treasury  
Email: [legal.bonds@natixis.com](mailto:legal.bonds@natixis.com)

**UniCredit Bank AG**

Arabellastrasse 12  
81925 Munich  
Germany

Telephone: +49 89 378 17101

Attention: Debt Capital Markets Legal - LCD7DC

**ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

Telephone: +31 (0) 20 629 6966

Attention: FI Debt Capital Markets  
Email: [mail\\_figdcm\\_docs@nl.abnamro.com](mailto:mail_figdcm_docs@nl.abnamro.com)

**Nomura International plc**

1 Angel Lane  
London EC4R 3AB

Telephone: +44(0) 20 7103 5652

Fax: +44(0) 20 7102 5804

Attention: Fixed Income Syndicate

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 Guarantors, the Lead Managers (for itself and each other Lead 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 Issuer. The Issuer and each of the Guarantors 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 each Lead Manager jointly and severally agrees to purchase the Covered Bonds (in an amount equal to the principal amount of the Covered Bonds set out against its name in Annex 2 of this Agreement) at a price of 99.101 per cent. of the principal amount of the Covered Bonds being the issue price of 99.351 per cent. less a total selling commission of 0.25 per cent. of such principal amount (the "**Purchase Price**").
3. The execution of this Agreement will constitute acceptance by each Lead Manager of the ICMA Agreement Among Managers Version 1 subject to any amendments notified to such Lead Manager in writing at any time prior to the earlier of the receipt by the Arranger of the document appointing such Lead Manager's authorised signatory and its execution of this Agreement.
4. For the purposes of this Agreement:
  - 4.1. the sum payable on the Issue Date shall be €991,010,000, representing the Purchase Price;
  - 4.2. "**Issue Date**" means 11:00 a.m. (London time) on 21 April 2015 or such other time and/or date as the Issuer and the Lead Managers may agree; and
  - 4.3. "**Payment Instruction Date**" means the Issue Date.
5. The Issuer shall bear the reasonable costs and expenses set out below in connection with the issue of the Covered Bonds (inclusive of applicable VAT and disbursements, if any):

- 5.1. the fees and expenses of its own legal advisers and those of the Lead Managers;
  - 5.2. the fees and expenses incurred or payable in connection with the listing of the Covered Bonds on the Official List of the UK Listing Authority and admission to trading on the regulated market of the London Stock Exchange plc;
  - 5.3. the fees and expenses (if any) of the Principal Paying Agent or any other Agent appointed in respect of the Covered Bonds, including the fees and expenses (if any) relating to the printing and delivery of the Covered Bonds;
  - 5.4. the fees and expenses of the Issuer's auditors;
  - 5.5. the fees and expenses of the Rating Agencies; and
  - 5.6. the fees and expenses of the Bond Trustee and Security Trustee (if any).
6. The obligation of each Lead Manager to purchase the Covered Bonds is conditional upon:
- 6.1. the conditions set out in Clause 3.2 (other than that set out in Clause 3.2(i)) of the Programme Agreement being satisfied as of the Payment Instruction Date;
  - 6.2. all of the applicable Transaction Documents being in full force and effect; and
  - 6.3. the delivery to each Lead Manager on the Payment Instruction Date of:
    - 6.3.1. a certificate dated the Payment Instruction Date signed by a duly authorised officer of the Issuer and a certificate dated the Payment Instruction Date signed by a duly authorised officer of each of the Guarantors giving confirmation of the conditions described in Clause 6.1 of this Agreement;
    - 6.3.2. receipt of notification from Fitch, Moody's and S&P that the ratings for the Covered Bonds described in the Prospectus have been assigned either without conditions or subject only to the execution and delivery on or before the Issue Date of the agreements contemplated herein;
    - 6.3.3. (i) the Issuer having furnished or caused to be furnished to each Lead Manager, the Bond Trustee and the Security Trustee at the Issue Date a solvency certificate, dated the Issue Date, of a duly authorised director of the Issuer in the agreed form; (ii) the LLP having furnished or caused to be furnished to each Lead Manager, the Bond Trustee and the Security Trustee a solvency certificate dated the Issue Date of a duly authorised officer of the LLP in the agreed form and (iii) the relevant Seller having furnished or caused to be furnished to each Lead Manager, 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;
    - 6.3.4. legal opinions addressed to each Lead Manager dated the Payment Instruction Date in such form and with such contents as each Lead Manager may reasonably require from Clifford Chance LLP as to English law, from Elliot Duffy Garrett as to Northern Irish law and from Shepherd and Wedderburn LLP as to Scots law;

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- 6.3.5. confirmation from the Issuer that it has provided the FCA with the series issuance notification form pursuant to RCB 3.4.1D of the RCB Sourcebook;
- 6.3.6. comfort letters dated the Payment Instruction Date from the independent auditors of the Issuer and the Guarantors in such form and with such content as the Lead Managers may reasonably request; and
- 6.3.7. such other conditions precedent as the Lead Managers and the Issuer may agree from time to time.

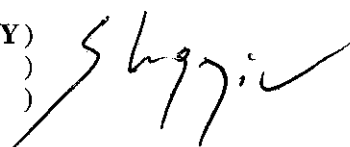
If any of the foregoing conditions is not satisfied on or before the Payment Instruction Date, this Agreement shall terminate on that date and the parties to this Agreement shall be under no further liability arising out of this Agreement (except for any liability of the Issuer or failing the Issuer, the Guarantors in relation to expenses as provided in the agreement referred to in Clause 5 and except for any liability arising before or in relation to termination), **provided that** each Lead Manager may in its discretion waive any of the aforesaid conditions (other than the conditions precedent contained in Clause 3.2(c) and (d) of the Programme Agreement) or any part of them.

- 7. The Lead Managers may, by notice to the Issuer and the Guarantors, terminate this Agreement at any time prior to payment of the net purchase money to the Issuer if in the professional opinion of the Lead Managers (after consultation with the Issuer and the Guarantors where practicable) there shall have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the offering and distribution of the Covered Bonds or dealings in the Covered Bonds in the secondary market and, upon notice being given, the parties to this Agreement shall (except for any liability of the Issuer or failing the Issuer, the Guarantors in relation to expenses as provided in the agreement referred to in Clause 5 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.
- 8. 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.
- 9. 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.
- 10. 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**  
**ABBEE NATIONAL TREASURY )**  
**SERVICES PLC )**  
acting by its attorney

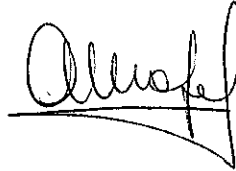
A handwritten signature in black ink, appearing to be 'S. 697', is written over the signature line of the Abbee National Treasury Services PLC.

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

A handwritten signature in black ink, appearing to read "L. Kuhl", followed by a horizontal line.


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


A handwritten signature in black ink, appearing to read "Alliofel", with a horizontal line underneath.

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


SIGNED by  
BANCO SANTANDER, S.A.  
acting by its attorney

)  
)   
) Matthew Williamson  
) Executive Director

  
KEVIN FOURNIER  
ED

SIGNED by  
BANCO SANTANDER, S.A.  
as an attorney for and on  
behalf of  
ABN AMRO BANK N.V.,  
NOMURA  
INTERNATIONAL PLC,  
NATIXIS and  
UNICREDIT BANK AG

)  
)   
) Matthew Williamson  
) Executive Director  
)  
)  
)  
)  
)

  
KEVIN FOURNIER  
ED

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

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



## FINAL TERMS DOCUMENT

20 April 2015

## Abbey National Treasury Services plc

**Issue of €1,000,000,000 Fixed Rate Covered Bonds due 21 April 2022 (XS1220923996)  
unconditionally guaranteed by Santander UK plc and  
irrevocably and unconditionally guaranteed as to payment of principal and interest by  
Abbey Covered Bonds LLP  
under the €35 billion  
Global Covered Bond Programme**

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 25 June 2014 and the supplemental prospectuses dated 1 August 2014, 20 August 2014, 4 November 2014, 3 February 2015 and 27 February 2015 (the "**Supplemental Prospectuses**") which together constitute a base prospectus for the purposes of the Prospectus Directive (2003/71/EC) (as amended, which includes amendments made by Directive 2010/73/EU to the effect that such amendments have been implemented in a relevant Member State) (the "**Prospectus Directive**"). This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus, as so supplemented. Full information on the Issuer, the Group Guarantor and the LLP and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms Document and the Prospectus, as so supplemented. Copies of the Prospectus and the Supplemental Prospectuses are available free of charge to the public at the registered office of the Issuer and from the specified office of each of the Paying Agents.

1. (a) Issuer: Abbey National Treasury Services plc
- (b) Guarantors: Santander UK plc and Abbey Covered Bonds LLP
2. (a) Series Number: 61
- (b) Tranche Number: 1
- (c) Series which Covered Bonds will be consolidated and form a single Series with: Not Applicable
- (d) Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: Not Applicable
3. Specified Currency or Currencies: Euro ("EUR" or "€")
4. Money Market Covered Bonds: No

5. Do the Covered Bonds have the benefit of remarketing arrangements: No
6. Aggregate Nominal Amount of Covered Bonds admitted to trading:
  - (a) Series: €1,000,000,000
  - (b) Tranche: €1,000,000,000
7. Issue Price: 99.351 per cent. of the aggregate nominal amount
8. (a) Specified Denominations: €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Covered Bonds in definitive form will be issued with a denomination above €199,000
  - (b) Calculation Amount: €1,000
9. (a) Issue Date: 21 April 2015
  - (b) Interest Commencement Date: Issue Date
10. (a) Final Maturity Date: 21 April 2022
  - (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: 21 April 2023
11. Interest Basis: 0.25 per cent. Fixed Rate  
(Further particulars specified at 17. below)
12. Redemption/Payment Basis: Redemption at par
13. Change of Interest Basis or Redemption/Payment Basis: From and including the Final Maturity Date the following Interest provisions apply:  
  
Interest Basis: Applicable from and including the Final Maturity Date to but excluding the Extended Due for Payment Date: 1 month EURIBOR + 0.01 per cent. per month Floating Rate  
  
Interest Payment Dates: 21<sup>st</sup> day of each month from but excluding the Final Maturity Date to and including the

Extended Due for Payment Date

Interest Period: The period from and including the Final Maturity Date, or as the case may be an Interest Payment Date, to but excluding the next following Interest Payment Date

Following Business Day Convention

Business Days: London, a day on which TARGET2 System is open

Day Count Fraction: Actual/360 (adjusted)

Interest Determination Dates: A day on which the TARGET2 system is open

Screen Rate Determination Relevant Screen Page: Reuters EURIBOR01

- |     |                                  |                |
|-----|----------------------------------|----------------|
| 14. | Put/Call Options:                | Not Applicable |
| 15. | (a) Status of the Covered Bonds: | Senior         |
|     | (b) Status of the Guarantees:    | Senior         |
| 16. | Method of distribution:          | Syndicated     |

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

- |     |                                     |   |
|-----|-------------------------------------|---|
| 17. | Fixed Rate Covered Bond Provisions: | Applicable  |
|     | (a) Rate(s) of Interest:            | 0.25 per cent. per annum payable annually in arrear               |
|     | (b) Interest Payment Date(s):       | 21 April in each year up to and including the Final Maturity Date |
|     | (c) Business Day Convention:        | Following Business Day Convention                                 |
|     | (d) Business Day(s):                | London  |
|     | Additional Business Centre(s):      | A day on which TARGET2 System is open                             |
|     | (e) Fixed Coupon Amount(s):         | EUR 2.50 per Calculation Amount                                   |
|     | (f) Broken Amount(s):               | Not Applicable  |
|     | (g) Day Count Fraction:             | Actual/Actual (ICMA) (not adjusted)                               |
|     | (h) Determination Date(s):          | 21 April in each year   |

- |     |                            |                |
|-----|----------------------------|----------------|
| 18. | Floating Rate Covered Bond | Not Applicable |
|     | Provisions:                |                |
| 19. | Zero Coupon Covered Bond   | Not Applicable |
|     | Provisions:                |                |

**PROVISIONS RELATING TO REDEMPTION**

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

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

- |     |  |   |
|-----|--|---|
| 24. | Form of Covered Bonds:   | Bearer Covered Bonds:<br><br>Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds only upon an Exchange Event |
| 25. | New Global Covered Bond:   | Yes   |
| 26. | Financial Centre(s):   | Not Applicable  |
| 27. | Talons for future Coupons or Receipts to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature):   | No  |
| 28. | Details relating to Partly Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: | Not Applicable  |
| 29. | Details relating to Instalment Covered Bonds:  |   |

- |     |   |                |
|-----|---|----------------|
| (a) | Instalment Amount(s):   | Not Applicable |
| (b) | Instalment Date(s):   | Not Applicable |
| 30. | Redenomination renominatisation and reconventioning provisions: | Not Applicable |
| 31. | Post-perfection SVR-LIBOR Margin:                               | 2.95 per cent. |

#### **DISTRIBUTION**

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

#### **PURPOSE OF FINAL TERMS DOCUMENT**

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

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING:

- (a) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's Regulated Market with effect from the Issue Date
- (b) Estimate of total expenses £3,600 related to admission to trading:

### 2. RATINGS:

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

S & P: AAA

Moody's: Aaa

Fitch: AAA

### 3. COVERED BOND SWAP:

Covered Bond Swap Provider: Natixis

Nature of Covered Bond Swap: Non-Forward Starting

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

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

### 5. YIELD:

Indication of yield: 0.344 per cent. calculated on an annual basis

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

indication of future yield.

6. **TRADEABLE AMOUNTS:**

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

7. **OPERATIONAL INFORMATION:**

- (a) ISIN Code: XS1220923996
- (b) Common Code: 122092399
- (c) Delivery: Delivery against payment

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

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

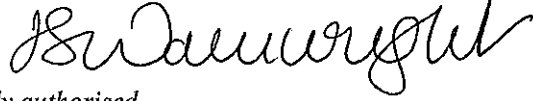
Intended to be held in a manner which would allow Eurosystem eligibility: Yes

**Execution Version**

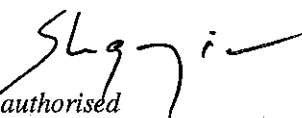
Signed on behalf of the Issuer:

By:   
*Duly authorised*

Signed on behalf of the Group Guarantor:

By:   
*Duly authorised*

Signed on behalf of the LLP:

By:   
*Duly authorised*



**ANNEX 2**  
**TO THE SUBSCRIPTION AGREEMENT**  
**LEAD MANAGER COMMITMENTS**

<b>Lead Manager</b>	<b>Commitment</b>
Banco Santander, S.A.	€200,000,000
Natixis	€200,000,000
ABN AMRO Bank N.V.	€200,000,000
UniCredit Bank AG	€200,000,000
Nomura International plc	€200,000,000