

**Dated 3 December 2020**

**SANTANDER UK GROUP HOLDINGS PLC**

**as Issuer**

**and**

**THE LAW DEBENTURE TRUST CORPORATION P.L.C**

**as Trustee**

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**SUPPLEMENTAL TRUST DEED**

modifying the Trust Deed dated 10 April 2017 in respect of  
£500,000,000 6.75% Fixed Rate Reset Perpetual  
Additional Tier 1 Capital Securities

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**Slaughter and May**

One Bunhill Row  
London EC1Y 8YY



**THIS SUPPLEMENTAL TRUST DEED is made on 3 December 2020**

**BETWEEN:**

- (1) **SANTANDER UK GROUP HOLDINGS PLC**, a company incorporated with limited liability in England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, with registered number 0870069 (the "**Issuer**"); and
- (2) **THE LAW DEBENTURE TRUST CORPORATION P.L.C**, a company incorporated with limited liability in England and Wales, whose registered office is at 8<sup>th</sup> Floor, 100 Bishopsgate, London EC2N 4AG (the "**Trustee**", which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) as trustee for the Securityholders (each as defined below).

**WHEREAS:**

- (A) This Supplemental Trust Deed is supplemental to the Trust Deed dated 10 April 2017 (the "**Trust Deed**") made between the Issuer and the Trustee and constituting £500,000,000 6.75% Fixed Rate Reset Perpetual Additional Tier 1 Capital Securities of the Issuer.
- (B) On 29 October 2020 the Issuer gave notice to the Securityholders that a meeting had been convened, pursuant to Schedule 3 of the Trust Deed, for the purpose of considering and, if thought fit, approving a resolution which was proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed (the "**Extraordinary Resolution**").
- (C) On 3 December 2020, the meeting referred to in recital (B) above was held and the Extraordinary Resolution was passed in accordance with the provisions of the Trust Deed and the conditions to implementation were satisfied.
- (D) The Issuer and the Trustee (the Trustee acting on the direction of the Securityholders pursuant to the Extraordinary Resolution) are entering into this Supplemental Trust Deed to give effect to the modifications to the Trust Deed hereinafter contained and thereby give effect to the matters referred to in the Extraordinary Resolution.

**NOW THIS SUPPLEMENTAL TRUST DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED** as follows:

**1. INTERPRETATION**

Unless otherwise defined herein, all words and expressions defined in the Trust Deed shall, where the context so requires and admits, have the same meanings in this Supplemental Trust Deed.

**2. AMENDMENTS**

With effect from the date of this Supplemental Trust Deed the Trust Deed shall be modified by making the following amendments to the Conditions as set out in Schedule 1 of the Trust Deed:

(A) **Condition 5(e) shall be deleted and replaced with the following:**

(e) *Reset Distribution Rates*

The Distribution Rate in respect of a Reset Period (each a “**Reset Distribution Rate**”) shall be the aggregate of (i) the Margin, (ii) the 5-year Mid-Swap Rate for such Reset Period and (iii) upon the occurrence of an Index Cessation Event in respect of 6 month Sterling LIBOR, the applicable Reset Distribution Rate Adjustment for such Reset Period, determined and converted from a semi-annual to a quarterly basis in a commercially reasonable manner by the Calculation Agent (rounded to three decimal places, with 0.0005 rounded down).

(B) **The following provision shall be included in the Conditions as a new Condition 5(k):**

(k) *Benchmark discontinuation*

If:

(A) the Issuer determines (in consultation with the Calculation Agent) on the basis of factors including, but not limited to, a public statement by the administrator or the supervisor of the administrator of the 5-year Mid-Swap Rate (or the relevant component part(s) thereof) that (as applicable):

(i) the 5-year Mid-Swap Rate (or the relevant component part(s) thereof) has ceased (or will cease, prior to the next following Reset Determination Date) to be calculated or administered or published by the relevant administrator (in circumstances where no successor administrator has been appointed that will continue publication of the 5-year Mid-Swap Rate (or the relevant component part(s) thereof)); or

(ii) there has otherwise taken place (or will otherwise take place, prior to the next following Reset Determination Date) a change in customary market practice (determined according to factors including, but not limited to, public statements, opinions and publications of industry bodies and organisations) to refer to a base rate other than the 5-year Mid-Swap Rate (or the relevant component part(s) thereof) despite the continued existence of such 5-year Mid-Swap Rate (or the relevant component part(s) thereof); or

(B) it is unlawful for the Calculation Agent and/or the Issuer to determine or use 5-year Mid-Swap Rate (or the relevant component part(s) thereof),

then the following provisions shall apply to the Securities:

- (1) the Issuer shall use reasonable efforts to appoint an Independent Adviser to determine (in each case in consultation with the Issuer) an Alternative Relevant Rate and such other adjustments (if any) as referred to in this Condition 5(k) for the purposes of determining the 5-year Mid-Swap Rate (or the relevant component part(s) thereof) for all future Reset Periods (subject to the subsequent operation of this Condition 5(k) during any other future Reset Period(s)).
- (2) Subject to paragraph (3) of this Condition 5(k), if:
  - (i) the Independent Adviser acting in good faith and in a commercially reasonable manner (in consultation with the Issuer) determines no later than five Business Days prior to the relevant Reset Determination Date relating to the next Reset Period (the “**IA Mid-Swap Determination Cut-off Date**”) that an Alternative Relevant Rate has succeeded or replaced the 5-year Mid-Swap Rate (or the relevant component part(s) thereof) in customary market usage in the international debt capital markets for setting rates comparable to the 5-year Mid-Swap Rate (or the relevant component part(s) thereof); or
  - (ii) the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer in accordance with paragraph (1) of this Condition 5(k) fails to determine an Alternative Relevant Rate prior to the relevant IA Mid-Swap Determination Cut-off Date, the Issuer determines (acting in good faith and in a commercially reasonable manner) no later than three Business Days prior to the relevant Reset Determination Date relating to the next Reset Period (the “**Issuer Mid-Swap Determination Cut-off Date**”) that an Alternative Relevant Rate has succeeded or replaced the 5-year Mid-Swap Rate (or the relevant component part(s) thereof) in customary market usage in the international debt capital markets for setting rates comparable to the 5-year Mid-Swap Rate (or the relevant component part(s) thereof),

then the 5-year Mid-Swap Rate (or the relevant component part(s) thereof) for all future Reset Periods (subject to the subsequent operation of this Condition 5(k) during any other future Reset Period(s)) shall be such Alternative Relevant Rate.

Without prejudice to the definition thereof, for the purposes of determining an Alternative Relevant Rate and/or applicable adjustments thereto (if any), the Independent Adviser or the Issuer (as applicable) will take into account relevant and applicable market precedents, as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets and such other materials as the Independent Adviser or the Issuer (as applicable), in its sole discretion, considers appropriate.

(3) Notwithstanding sub-paragraph (ii) in the definition of “5-year Mid-Swap Rate (LIBOR)” or “5-year Mid-Swap Rate (SONIA)” (as applicable), if:

(i) the Independent Adviser appointed by the Issuer in accordance with paragraph (1) of this Condition 5(k) notifies the Issuer prior to the IA Mid-Swap Determination Cut-off Date that it has determined that no Alternative Relevant Rate exists;

(ii) the Independent Adviser appointed by the Issuer in accordance with paragraph (1) of this Condition 5(k) fails to determine an Alternative Relevant Rate prior to the relevant IA Mid-Swap Determination Cut-off Date, without notifying the Issuer as contemplated in sub-paragraph (3)(i) of this Condition 5(k) and the Issuer (acting in good faith and in a commercially reasonable manner) determines prior to the Issuer Mid-Swap Determination Cut-off Date that no Alternative Relevant Rate exists; or

(iii) an Alternative Relevant Rate is not otherwise determined in accordance with paragraph (2) of this Condition 5(k) prior to the Issuer Mid-Swap Determination Cut-off Date,

the 5-year Mid-Swap Rate in respect of the relevant Reset Period shall be determined as at the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the 5-year Mid-Swap Rate shall be 0.856 per cent.

This paragraph (3) shall apply to the relevant Reset Period only. Any subsequent Reset Period(s) shall be subject to the operation of this Condition 5(k).

(4) Promptly following the determination of any Alternative Relevant Rate as described in this Condition 5(k), the Issuer shall give notice thereof and of any adjustments (and the effective date(s) thereof) pursuant to this Condition 5(k) to the Trustee, the

Principal Paying Agent, the Calculation Agent and, in accordance with Condition 17, the Securityholders.

The Trustee and the Principal Paying Agent shall, at the direction of the Issuer (following consultation with the Calculation Agent), effect such waivers and consequential amendments to the Trust Deed, the Agency Agreement, these Conditions and any other document as the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines may be required to give effect to any application of this Condition 5(k). Prior to any such waivers and/or consequential amendments taking effect, the Issuer shall provide a certificate signed by two authorised signatories of the Issuer to the Trustee, the Principal Paying Agent and the Calculation Agent which (i) provides details of such waivers and/or consequential amendments and (ii) certifies that such waivers and/or consequential amendments are required to give effect to any application of this Condition 5(k), and the Trustee, the Principal Paying Agent and the Calculation Agent shall be entitled to rely on such certificate without further enquiry or liability to any person. For the avoidance of doubt, the Trustee shall not be liable to the Securityholders or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. Such changes shall apply to the Securities for all future Reset Periods (subject to the subsequent operation of this Condition 5(k)). No consent of the Securityholders shall be required in connection with effecting the relevant Alternative Relevant Rate as described in this Condition 5(k) or such other relevant adjustments pursuant to this Condition 5(k), including for the execution of, or amendment to, any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required).

Notwithstanding the foregoing, the Trustee shall not be obliged to agree to any modification if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed.

Notwithstanding any other provision of this Condition 5(k), no Alternative Relevant Rate will be adopted, and no other amendments to the terms of the Securities will be made pursuant to this Condition 5(k), if and to the extent that, in the sole determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Securities as Tier 1 Capital.

(C) **Condition 12(b) shall be deleted and replaced with the following:**

(b) **Modification of the Trust Deed or the Agency Agreement**

The Trustee may agree, without the consent of the Securityholders, to (i) any modification of any of these Conditions and the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions and the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders.

In addition, the Trustee shall, without the consent of the Securityholders, concur with the Issuer in making modifications to these Conditions and/or other relevant transaction documents to which it is a party that the Issuer considers necessary in the circumstances set out in Condition 5(k).

Any such modification, authorisation or waiver shall be binding on the Securityholders and, unless the Trustee otherwise requires, such modification shall be notified to the Securityholders as soon as practicable thereafter.

(D) **Condition 19 shall be amended as follows**

(i) The definitions for “5-year Mid-Swap Rate”, “5-year Mid-Swap Rate Quotations”, “Reset Reference Bank Rate” and “Screen Page” in Condition 19 shall be renamed as “5-year Mid-Swap Rate (LIBOR)”, “5-year Mid-Swap Rate Quotations (LIBOR)”, “LIBOR Reset Reference Bank Rate” and “Screen Page (LIBOR)”, respectively, and reordered in appropriate places in alphabetical order, with references to such terms in the Conditions being amended accordingly.

(ii) The following definitions will be added to Condition 19 in appropriate places in alphabetical order:

**“5-year Mid-Swap Rate”** means (i) if an Index Cessation Event in respect of 6 month Sterling LIBOR has not occurred on or before the relevant Reset Determination Date, the 5-year Mid-Swap Rate (LIBOR) or (ii) if an Index Cessation Event in respect of 6 month Sterling LIBOR has occurred on or before the relevant Reset Determination Date, the 5-year Mid-Swap Rate (SONIA);

**“5-year Mid-Swap Rate (SONIA)”** means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period:

- (i) the annual pounds sterling mid-swap rate with a term of five years where the floating leg pays daily compounded SONIA annually, which is calculated and published by ICE Benchmark Administration Limited on such Reset Determination Date and displayed as at 11.15 a.m. (London time) on such Reset Determination Date on such Bloomberg or Reuters page (the “**Screen Page (SONIA)**”) or, as the case may be, such other information service that may replace Bloomberg or Reuters, in each case as may be nominated by ICE Benchmark Administration Limited, or any alternative or successor provider for the publication of such rate as is in customary market usage in the international debt capital markets; or
- (ii) if such rate does not appear on the Screen Page (SONIA) at such time on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date,

which annual rate shall in each case be converted by the Calculation Agent to a semi-annual rate in accordance with market convention;

“**5-year Mid-Swap Rate Quotations**” means (i) if an Index Cessation Event in respect of 6 month Sterling LIBOR has not occurred on or before the relevant Reset Determination Date, the 5-year Mid-Swap Rate Quotations (LIBOR) or (ii) if an Index Cessation Event in respect of 6 month Sterling LIBOR has occurred on or before the relevant Reset Determination Date, the 5-year Mid-Swap Rate Quotations (SONIA);

“**5-year Mid-Swap Rate Quotations (SONIA)**” means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on an Actual/365 (Fixed) day count basis) of a fixed-for-floating pounds sterling interest rate swap which:

- (i) has a term of five years commencing on the relevant Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on the overnight SONIA rate compounded for 12 months (calculated on an Actual/365 (Fixed) day count basis);

“**Alternative Relevant Rate**” means the rate which has replaced the 5-year Mid-Swap Rate (or the relevant component part(s) thereof) in customary market usage in the international debt capital markets for the purposes of determining reset distribution rates (or the relevant component part thereof) in respect of securities denominated in pounds sterling and with a reset period of a comparable duration to the relevant Reset Period, or, if the Independent Adviser (in consultation with the



Issuer) or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines in its discretion is most comparable to the 5-year Mid-Swap Rate (or the relevant component part(s) thereof);

**“IA Mid-Swap Determination Cut-off Date”** has the meaning given in Condition 5(k);

**“Independent Adviser”** means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at the Issuer’s expense;

**“Index Cessation Event”** means an Index Cessation Event as defined in Supplement number 70 to the 2006 ISDA Definitions and, for the purposes of these Conditions and the definition of “Index Cessation Event”, the “Applicable Rate” is 6 month Sterling LIBOR;

**“Issuer Mid-Swap Determination Cut-off Date”** has the meaning given in Condition 5(k);

**“Reset Distribution Rate Adjustment”** means, following the occurrence of an Index Cessation Event in respect of 6 month Sterling LIBOR, the rate specified on Bloomberg screen “SBP0006M Index”, or any successor page, as calculated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) in relation to “Sterling LIBOR” as at the time such Index Cessation Event occurs, provided that:

- (a) if such screen rate is negative the applicable Reset Distribution Rate Adjustment shall be deemed to be 0 per cent.; and
- (b) if, in relation to any Reset Period and the Reset Determination Date in relation to such Reset Period, (i) the 5-year Mid-Swap Rate (SONIA) is determined as the SONIA Reset Reference Bank Rate, (ii) no 5-year Mid-Swap Rate Quotations are provided on the relevant Reset Determination Date as described in the definition of “SONIA Reset Reference Bank Rate”, and (iii) the SONIA Reset Reference Bank Rate is either (A) the 5-year Mid-Swap Rate (LIBOR) in respect of the immediately preceding Reset Period or (B) 0.856 per cent., the applicable Reset Distribution Rate Adjustment for such Reset Period shall be deemed to be 0 per cent.;

**“Reset Reference Bank Rate”** means (i) if an Index Cessation Event in respect of 6 month Sterling LIBOR has not occurred on or before the relevant Reset Determination Date, the LIBOR Reset Reference Bank Rate or (ii) if an Index Cessation Event in respect of 6 month Sterling

LIBOR has occurred on or before the relevant Reset Determination Date, the SONIA Reset Reference Bank Rate;

**“SONIA Reset Reference Bank Rate”** means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the percentage rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately 11:00 a.m. (London time) on such Reset Determination Date. If at least three quotations are provided, the SONIA Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the SONIA Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the SONIA Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the SONIA Reset Reference Bank Rate for the relevant Reset Period will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the 5-year Mid-Swap Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, 0.856 per cent; and

- (iii) The definition of “Reset Reference Bank” in Condition 19 will be amended to read as follows:

**“Reset Reference Banks”** means five leading swap dealers in the interbank market selected by the Issuer (excluding the Calculation Agent or any of its affiliates) in its discretion, acting in a commercially reasonable manner;

### 3. MISCELLANEOUS

- (A) The provisions of the Trust Deed as modified by this Supplemental Trust Deed shall continue in full force and effect and shall be valid and binding obligations of the Issuer and the Trustee.
- (B) The Trust Deed shall henceforth be read and construed as one document with this Supplemental Trust Deed.
- (C) This Supplemental Trust Deed may be executed in counterparts, each of which, taken together, shall constitute one and the same Supplemental Trust Deed and each party may enter into this Supplemental Trust Deed by executing a counterpart.
- (D) A person who is not a party to this Supplemental Trust Deed has no right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this

Supplemental Trust Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**4. GOVERNING LAW**

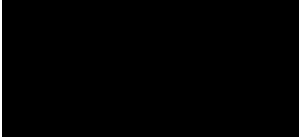
This Supplemental Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

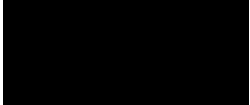
**IN WITNESS** whereof this Supplemental Trust Deed has been executed as a deed by the Issuer and the Trustee and delivered on the date first stated on page 1.

**SIGNATORIES**

**The Issuer**

**SIGNED** as a **DEED** by )  
**SANTANDER UK GROUP HOLDINGS PLC** )  
acting by its attorney )  
in the presence of: )



Witness's Signature: 

Name: 

Address: 

**The Trustee**

**SIGNED as a DEED by  
THE LAW DEBENTURE TRUST CORPORATION P.L.C.**

By:



Name: [Redacted]

Title: Director

By:



Name: [Redacted]

Title: Secretary, Representing

Law Debenture Corporate Services

Ltd