

The Capital Guaranteed Income Plan

Offer closes: 26 March 2010



Product Features	
Term	5 years
Capital Protection	100% Capital Protected at maturity
Potential Maximum Return	Return of your Original Investment at maturity plus up to 5 Annual Income Payments (6.5% gross) (equivalent to 32.5% of your Original Investment over the term of the Plan).
Suitable for Direct, SIPP/SSAS and Offshore Bond investment	

Key Dates	
Start of offer period	11 January 2010
End of offer period	26 March 2010 or earlier if sold out
Strike/Effective Date	12 April 2010
Annual Income Observation Dates	5 April 2011, 5 April 2012, 5 April 2013, 7 April 2014, 7 April 2015
Final Maturity Date	14 April 2015

What will I get back?

The Capital Guaranteed Income Plan is a **structured deposit** which will return your Original Investment if it is held to final maturity on 14 April 2015.

In addition, the Plan may provide a **6.5% gross** additional Annual Income Payment (equivalent to **32.5%** of your Original Investment) depending on the performance of the FTSE 100 Index being at or above the Initial Index Level on the Annual Income Observation Date, otherwise no Income is received for that year.

Examples of possible returns on an investment of £20,000:

Example 1	Index Level End year 1	Index Level End year 2	Index Level End year 3	Index Level End year 4	Index Level End year 5	Total Income Paid
Initial Index Level (5000)	5000	5010	5001	5120	5230	
Annual Income Payment	£1,300	£1,300	£1,300	£1,300	£1,300	£6,500

Example 1: The FTSE 100 Index is at or above the Initial Index Level for all five Annual Observation Dates. In this case the Plan will pay all five Annual Income Payments (**6.5% gross** is paid each year, this is **32.5% gross** overall). The Original Investment amount is repaid at maturity (£20,000).

Example 2	Index Level End year 1	Index Level End year 2	Index Level End year 3	Index Level End year 4	Index Level End year 5	Total Income Paid
Initial Index Level (5000)	5000	4999	5120	5150	4925	
Annual Income Payment	£1,300	£0	£1,300	£1,300	£0	£3,900

Example 2: The FTSE 100 Index is at or above the Initial Index Level for three of the five Annual Observation Dates. In this case the Plan will only pay three of the five Annual Income Payments (**6.5% gross** is paid in each of the three years, this is **19.5% gross** overall). The Original Investment amount is repaid at maturity (£20,000).

Example 3	Index Level End year 1	Index Level End year 2	Index Level End year 3	Index Level End year 4	Index Level End year 5	Total Income Paid
Initial Index Level (5000)	4999	4950	4900	4875	4925	
Annual Income Payment	£0	£0	£0	£0	£0	£0

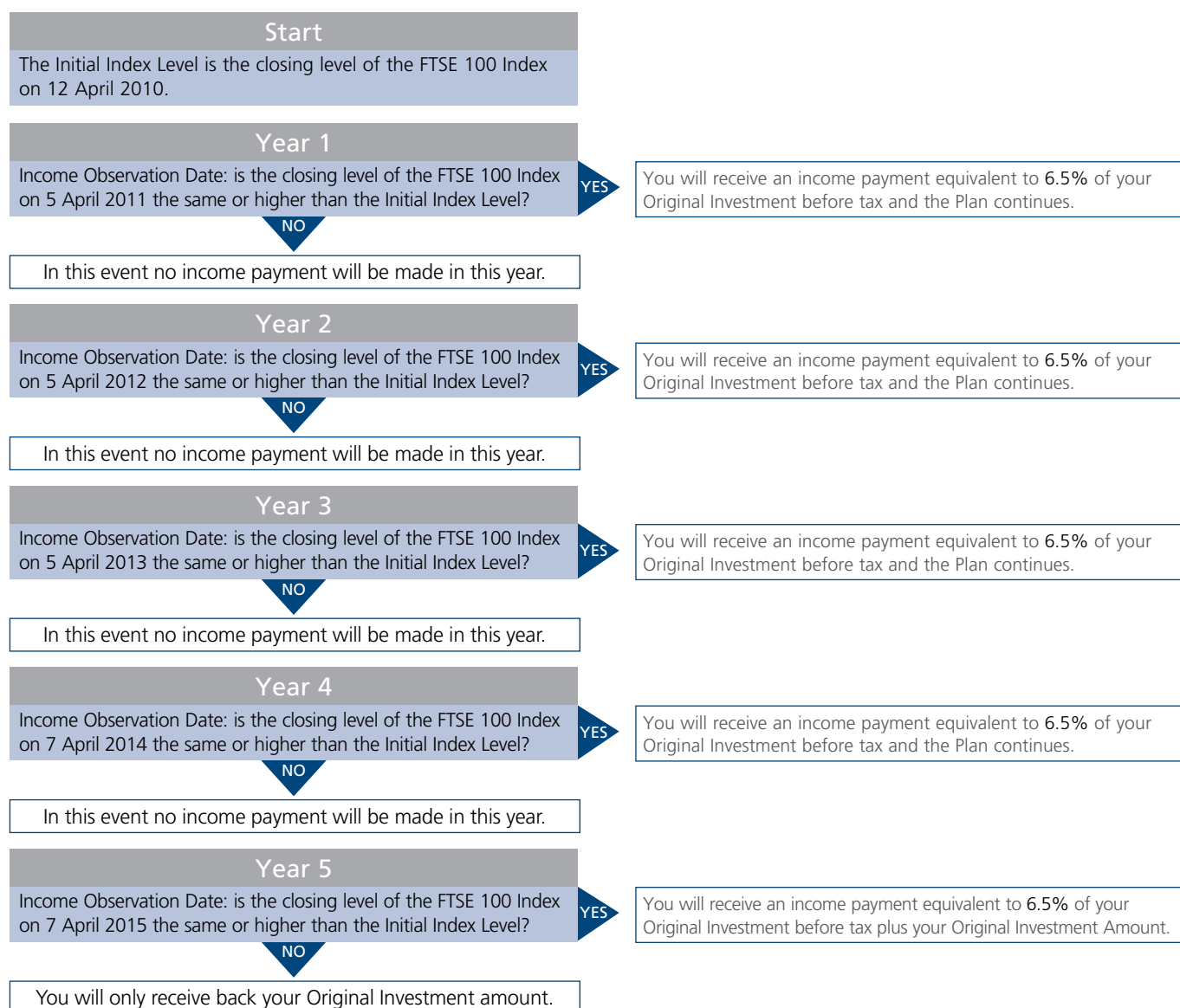
Example 3: The FTSE 100 Index is below the Initial Index Level for all five Annual Observation Dates. In this case the Plan will not pay any of the Annual Income Payments. Only the Original Investment amount is repaid at maturity (£20,000).

Risk Factors:

- **Please note, if the FTSE 100 Index levels on the Observation Dates are always below the Initial Index Level you will receive NO Annual Income Payments and therefore NO return on your Original Investment.**
- Please remember there is no guarantee that the FTSE 100 Index will rise or behave the way it has done in the past.
- The size of any Annual Income Payment and the return of your Original Investment at final maturity will not vary irrespective of the extent of the FTSE 100 Index growth between Annual Income Observation Dates or during the term of the Plan.

For further information about the Capital Guaranteed Income Plan and to download application forms visit www.caterallen.co.uk or call us on **0800 092 3300**.

How does the Plan work?



Key definitions

Index:

The FTSE 100 Index is a capitalisation weighted index of the 100 most highly capitalised companies traded on the London Stock Exchange. The Capital Guaranteed Income Plan is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited.

Initial Index Level:

The closing level of the FTSE 100 Index on 12 April 2010.

Annual Income Observation Dates:

The five dates on which the closing level of the Index is taken to determine whether you will receive an Annual Income Payment. These dates are 5 April 2011, 5 April 2012, 5 April 2013, 7 April 2014 and 7 April 2015.

Annual Income Payment Dates:

The five dates on which the potential income is paid. These dates are: 12 April 2011, 12 April 2012, 12 April 2013, 14 April 2014 and 14 April 2015.

Maturity Date:

The date on which we instruct the sale of the financial instrument, which is linked to the performance of the FTSE 100 Index, on your behalf. This date is 14 April 2015.

Original Investment:

The amount you pay into the Plan with your application. This amount is held on deposit with Cater Allen Private Bank Limited to ensure the return of your Original Investment at maturity. All deposits held with Cater Allen Private Bank are fully and unconditionally guaranteed by Santander UK plc, and the guarantee is dependent on the continued solvency of Santander UK plc.

Strike/Effective Date:

The date when the Initial Index level is taken at the official close of the FTSE 100 Index, 12 April 2010.

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