

ISDA[®]

International Swaps and Derivatives Association, Inc.

NOVATION AGREEMENT

dated as of 18 December 2014 among:

Holmes Funding Limited (the "**Remaining Party**"),
Abbey National Treasury Services PLC (the "**Transferor**"),
The Bank of New York Mellon, acting through its London branch (the "**Security Trustee**")
AND Santander UK PLC (the "**Transferee**").

The Transferor and the Remaining Party have entered into one or more Transactions (each an "**Old Transaction**"), each evidenced by a Confirmation (an "**Old Confirmation**") attached hereto at Annex B (*Old Confirmations*) subject to a 1992 ISDA Master Agreement (Multicurrency – Cross Border) dated as of 26 July 2000 (as amended or restated from time to time), including (i) the Schedule thereto, dated as of 26 July 2000, as amended and restated on 23 June 2011, 29 June 2012 and on 28 August 2012, and as further amended, restated and/or supplemented from time to time (the "**Old Schedule**") and (ii) the Credit Support Annex thereto, dated as of 26 July 2000, as amended and restated on 23 June 2011 and on 29 June 2012, and as further amended, restated and/or supplemented from time to time (the "**Old CSA**") between the Transferor, the Remaining Party and the Security Trustee (together, the "**Old Agreement**").

With effect from and including (i) 18 December 2014 (the "**Amendment Date**"), the Remaining Party and the Transferor wish to amend the Old CSA as set out in Annex A, Part I (g) below, and (ii) with effect from an Interest Payment Date to be advised in writing by the Transferor to the Remaining Party and the Security Trustee (the "**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 (as amended on the Amendment Date) and each Old Transaction, with the effect that from and including the Novation Date the Remaining Party, the Security Trustee and the Transferee enter into a new agreement, on the same terms as the Old Agreement except as set out in Annex A Part I (a) to (f) and (h) (*Amendments*) hereto (the "**New Agreement**") and the Remaining Party and the Transferee enter into new transactions between them on the same terms as each Old Transaction except as set out in Annex A Part II (*Amendments*) hereto (each a "**New Transaction**").

The Remaining Party wishes to accept the Transferee as its sole counterparty with respect to the New Transactions.

The Transferor and the Remaining Party 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 Old Agreement are used herein as so defined, unless otherwise provided herein.

EXECUTION VERSION

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 Remaining Party 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 Remaining Party 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 Remaining Party or the Transferor in accordance with the terms of the Old Transaction;
- (b) in respect of each New Transaction, the Remaining Party 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 (except as set out in Annex A (*Amendments*) hereto and, for the avoidance of doubt, as if the Transferee were the Transferor and with the Remaining Party remaining the Remaining Party, save for any rights, liabilities or obligations of the Remaining Party 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 (and, in particular, Annex A (*Amendments*) hereto), shall be deemed to be a Confirmation between the Remaining Party and the Transferee).

3. Representations and Warranties.

- (a) On the date of this Novation Agreement and on the Novation Date:
 - (i) Each of the parties hereto (other than the Security Trustee) makes to each of the other parties those representations and warranties set forth in Section 3(a) of the Old Agreement with references in such Section to "this Agreement" or "any Credit Support Document" being deemed references to this Novation Agreement alone.
 - (ii) The Remaining Party and the Transferor each makes to the other and the Security Trustee, and the Remaining Party and the Transferee each makes to the other and the Security Trustee, the representation set forth in Section 3(b) of the Old 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 Remaining Party 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 Remaining Party's interests under the Old Agreement under and in accordance with the Funding Deed of Charge, 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 Remaining Party under each Old Transaction required to be performed on or before the Novation Date have been fulfilled.
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- (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 Party, the Transferee or any other person or for the performance and observance by the Remaining Party, 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. The Security Trustee

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

5. 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.

6. 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.

7. 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.

8. (a) Governing Law.

This Novation Agreement will be governed by and construed in accordance with the laws of England.

(b) Jurisdiction.

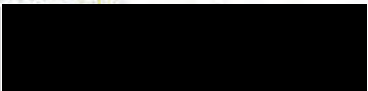
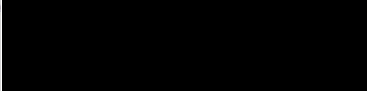
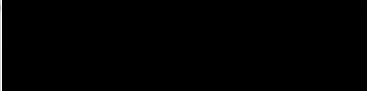
The terms of Section 13(b) of the Old Agreement shall apply to this Novation Agreement with references in such Section to "this Agreement" being deemed references to this Novation Agreement alone.

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

HOLMES FUNDING LIMITED

By: 
Name: 
Title: 

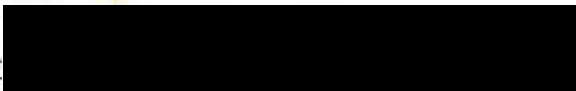
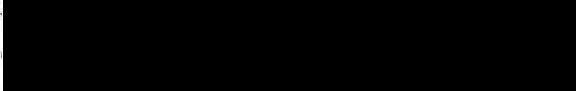
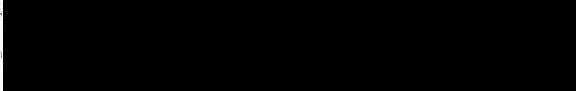
ABBEY NATIONAL TREASURY SERVICES PLC

By: 
Name: 
Title: 

**THE BANK OF NEW YORK MELLON,
acting through its LONDON BRANCH**

By: _____
Name:
Title:

SANTANDER UK PLC

By: 
Name: 
Title: 

HOLMES FUNDING LIMITED

By: _____

Name:

Title:

**ABBEY NATIONAL TREASURY
SERVICES PLC**

By: _____

Name:

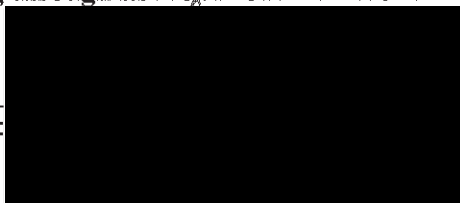
Title:

**THE BANK OF NEW YORK MELLON,
acting through its LONDON BRANCH**

By: _____

Name:

Title:



SANTANDER UK PLC

By: _____

Name:

Title:

ANNEX A
Amendments

PART I
Amendments in respect of the Old Agreement

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

- (a) Part 4(1) (*Addresses for Notices*) of the Old Schedule shall be amended by deleting the paragraphs from (but not including) "Address for notices or communications to Party A" up to (but not including) "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: Mortgage Backed Funding

Facsimile No.: +44 (0) 20 7756 5862

- (b) Part 4(5) (*Calculation Agent*) of the Old Schedule shall be amended by (i) deleting the words "event occurs with respect to SUKPLC ... would constitute an", and (ii) inserting the word "occurs" directly after the words "Event of Default".
- (c) Part 4(7) (*Credit Support Provider*) of the Old Schedule shall be amended by deleting the words (i) "SUKPLC and" directly after the words "in relation to Party A,", and (ii) "other" directly before the words "guarantor under any Eligible Guarantee".
- (d) Part 5(23) (*Definitions*) of the Old Schedule shall be amended by, in the definition of "Eligible Guarantee", deleting the words "(a) the deed poll guarantee ... attached to this Schedule as Appendix 1, or (b)".
- (e) Part 5(24) (*SUKPLC as Party B's Agent*) of the Old Schedule shall be deleted in its entirety and Part 5(25) (*Security Trustee as Party*) shall be renumbered as Part 5(24).
- (f) Appendix 1 to the Old Schedule shall be deleted in its entirety.
- (g) Paragraph 11(c)(ii) of the Old CSA shall be amended by deleting the words "the first Local Business Day of each calendar week" and replacing them with "each Local Business Day".
- (h) In the New Agreement, a reference to the Transferor's name shall instead be deemed to be a reference to the Transferee's name.
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PART II
Amendments in respect of the Old Confirmations

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

- (a) In the New Confirmations, a reference to the Transferor's name shall instead be deemed to be a reference to the Transferee's name.
 - (b) Any details throughout the Old Confirmations which are personal to the Transferor shall be replaced in the New Confirmations with the following (where applicable):
 - (i) Address: 2 Triton Square
Regent's Place
London
NW1 3AN

Attention: Mortgage Backed Funding

Facsimile No.: +44 (0) 20 7756 5862
 - (ii) Account details: Direct via CHAPS

Sort Code: 71-01-00
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ANNEX B
The Old Confirmations

EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29

June 2012

Dear Sirs,

Confirmation - Funding Swap (Fixed Rate Loans – 3yrs or less)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

i

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Weighted Average Fixed Rate for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Fixed Rate Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Fixed Rate Ratio means, in respect of a Distribution Period, the Relevant Average Fixed Rate Loan Balance divided by the Average Loan Balance.

Fixed Rate Spread means 1.30% per annum, or such other rate specified as the Fixed Rate Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Fixed Rate Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment

Date immediately following such Interest Period and (B) the Fixed Rate Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Fixed Rate Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Fixed Rate Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Fixed Rate Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Fixed Rate Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Fixed Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Fixed Rate Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such time that the interest rate payable by the Borrower on all or part of the Outstanding Principal Balance does not vary (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may be set at a fixed or variable

margin above or below rates set from time to time by the Bank of England) and that have a remaining period up to their reset dates of 3 years or less, such reset date being the date on which the Relevant Fixed Rate Loans reset into Variable Rate Loans. The remaining period shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Weighted Average Fixed Rate means, in respect of a Distribution Period, the weighted average of the fixed rates of interest charged to borrowers of Relevant Fixed Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

Business Day centres for all Payments: London, New York, TARGET

Business Day Convention: Modified Following

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

Interim Exchange Amount: Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Fixed Rate Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

Party B Interim Exchange Date: In respect of an Interim Exchange Amount, the relevant New Closing Date

Party A Interim Exchange Date: In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

Calculation of Amounts: On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments: If, in relation to any Interest Payment Date:

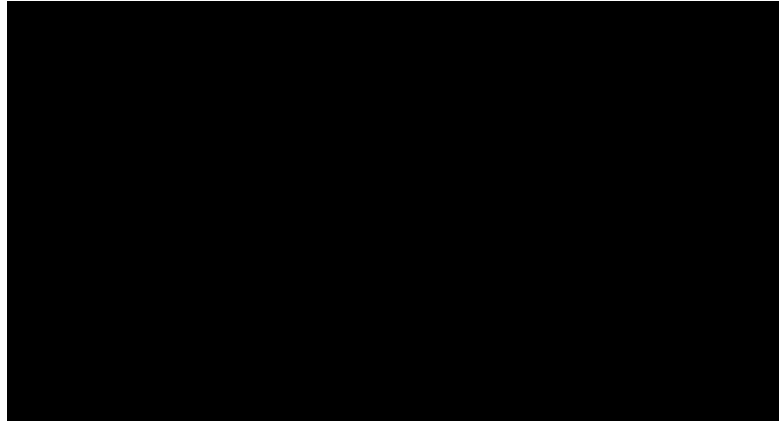
- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date;
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be

due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. **Account Details:**
Payments to Party A:

Payments to Party B:



4. **Notice Details:**

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London

E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBHEY NATIONAL TREASURY SERVICES PLC

By:
Name:
Title:
Date:



Confirmed as of the date first written:

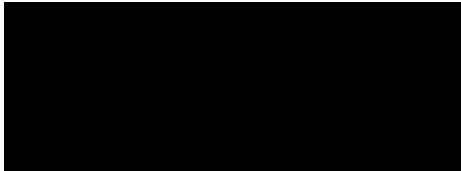
HOLMES FUNDING LIMITED

By:
Name:
Title:
Date:



THE BANK OF NEW YORK MELLON

By:
Name:
Title:
Date:



EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29 June 2012

Dear Sirs,

Confirmation - Funding Swap (Fixed Rate Loans – more than 3yrs but less than or equal to 5yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Weighted Average Fixed Rate for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Fixed Rate Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Fixed Rate Ratio means, in respect of a Distribution Period, the Relevant Average Fixed Rate Loan Balance divided by the Average Loan Balance.

Fixed Rate Spread means 1.30% per annum, or such other rate specified as the Fixed Rate Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Fixed Rate Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts

forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Fixed Rate Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Fixed Rate Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Fixed Rate Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Fixed Rate Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Fixed Rate Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Fixed Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Fixed Rate Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such time that the interest rate payable by the Borrower on all or part of the Outstanding Principal Balance does not vary (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the

Outstanding Principal Balance, in the case of a Further Advance) may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and that have a remaining period up to their reset dates of more than 3 years but less than or equal to 5 years, such reset date being the date on which the Relevant Fixed Rate Loans reset into Variable Rate Loans. The remaining period shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Weighted Average Fixed Rate means, in respect of a Distribution Period, the weighted average of the fixed rates of interest charged to borrowers of Relevant Fixed Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

Business Day centres for all Payments: London, New York, TARGET

Business Day Convention: Modified Following

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

Interim Exchange Amount: Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Fixed Rate Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

Party B Interim Exchange Date: In respect of an Interim Exchange Amount, the relevant New Closing Date

Party A Interim Exchange Date: In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

Calculation of Amounts: On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments: If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date;
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be

due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. **Account Details:**

Payments to Party A:

Payments to Party B:

4. **Notice Details:**

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London

E14 5AL

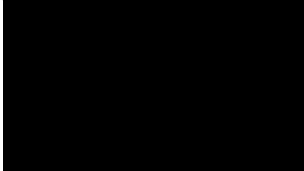
Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBEY NATIONAL TREASURY SERVICES PLC

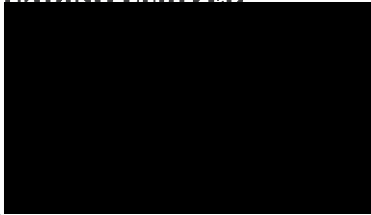
By:
Name:
Title:
Date:



Confirmed as of the date first written:

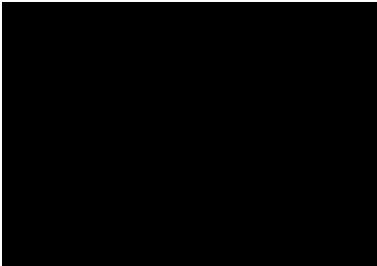
HOLMES FUNDING LIMITED

By:
Name:
Title:
Date:



THE BANK OF NEW YORK MELLON

By:
Name:
Title:
Date:



EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustec Administration Manager^{i, s}

29 June 2012

Dear Sirs,

Confirmation - Funding Swap (Fixed Rate Loans – more than 5yrs but less than or equal to 10yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Weighted Average Fixed Rate for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Fixed Rate Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Fixed Rate Ratio means, in respect of a Distribution Period, the Relevant Average Fixed Rate Loan Balance divided by the Average Loan Balance.

Fixed Rate Spread means 1.30% per annum, or such other rate specified as the Fixed Rate Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Fixed Rate Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts

forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Fixed Rate Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Fixed Rate Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Fixed Rate Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Fixed Rate Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Fixed Rate Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Fixed Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Fixed Rate Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such time that the interest rate payable by the Borrower on all or part of the Outstanding Principal Balance does not vary (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the

Outstanding Principal Balance, in the case of a Further Advance) may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and that have a remaining period up to their reset dates of more than 5 years but less than or equal to 10 years, such reset date being the date on which the Relevant Fixed Rate Loans reset into Variable Rate Loans. The remaining period shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Weighted Average Fixed Rate means, in respect of a Distribution Period, the weighted average of the fixed rates of interest charged to borrowers of Relevant Fixed Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

Business Day centres for all Payments: London, New York, TARGET

Business Day Convention: Modified Following

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

Interim Exchange Amount: Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Fixed Rate Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

Party B Interim Exchange Date: In respect of an Interim Exchange Amount, the relevant New Closing Date

Party A Interim Exchange Date: In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

Calculation of Amounts: On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments: If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date;
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be

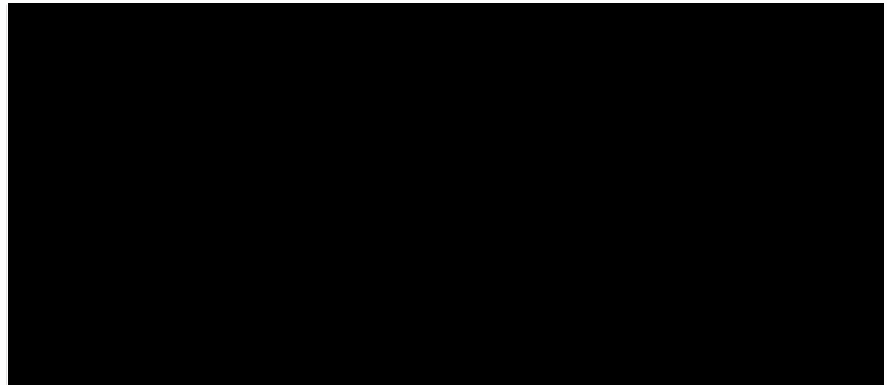
due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. **Account Details:**

Payments to Party A:

Payments to Party B:



4. **Notice Details:**

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London

E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBHEY NATIONAL TREASURY SERVICES PLC

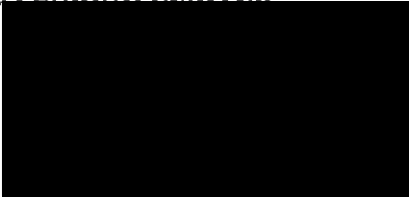
By:
Name:
Title:
Date:



Confirmed as of the date first written:

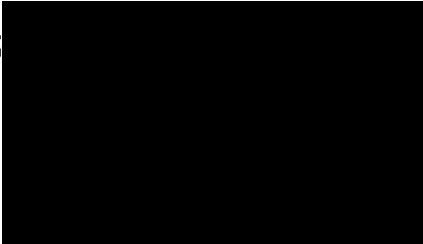
HOLMES FUNDING LIMITED

By:
Name:
Title:
Date:



THE BANK OF NEW YORK MELLON

By:
Name:
Title:
Date:



EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29 June 2012

Dear Sirs,

Confirmation - Funding Swap (Fixed Rate Loans – more than 10yrs but less than or equal to 15yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Weighted Average Fixed Rate for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Fixed Rate Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Fixed Rate Ratio means, in respect of a Distribution Period, the Relevant Average Fixed Rate Loan Balance divided by the Average Loan Balance.

Fixed Rate Spread means 1.30% per annum, or such other rate specified as the Fixed Rate Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Fixed Rate Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts

forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Fixed Rate Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Fixed Rate Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Fixed Rate Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Fixed Rate Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Fixed Rate Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Fixed Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Fixed Rate Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such time that the interest rate payable by the Borrower on all or part of the Outstanding Principal Balance does not vary (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the

Outstanding Principal Balance, in the case of a Further Advance) may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and that have a remaining period up to their reset dates of more than 10 years but less than or equal to 15 years, such reset date being the date on which the Relevant Fixed Rate Loans reset into Variable Rate Loans. The remaining period shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Weighted Average Fixed Rate means, in respect of a Distribution Period, the weighted average of the fixed rates of interest charged to borrowers of Relevant Fixed Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

**Business Day centres
for all Payments:** London, New York, TARGET

**Business Day
Convention:** Modified Following

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

Interim Exchange Amount: Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Fixed Rate Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

Party B Interim Exchange Date: In respect of an Interim Exchange Amount, the relevant New Closing Date

Party A Interim Exchange Date: In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

**Calculation of
Amounts:** On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments: If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date;
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be

due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent:

Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. **Account Details:**

Payments to Party A:

Payments to Party B:

4. **Notice Details:**

Party A:

Abbey National Treasury Services plc

Address:

2 Triton Square
Regent's Place
London
NW1 3AN

Facsimile Number:

+44 20 7612 4442

Attention:

Company Secretary

Party B:

Holmes Funding Limited

Address:

c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number:

+44 1908 344 797

Attention:

Securitisation Team, Accounting & Support Finance

With a copy to the
Security Trustee:

The Bank of New York Mellon, London Branch

Address:

40th Floor
One Canada Square
London

E14 5AL

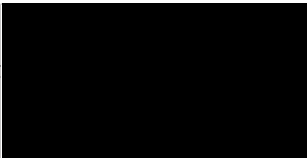
Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBHEY NATIONAL TREASURY SERVICES PLC

By:
Name:
Title:
Date:



Confirmed as of the date first written:

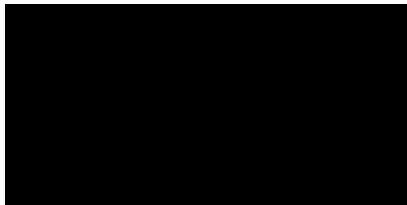
HOLMES FUNDING LIMITED

By:
Name:
Title:
Date:



THE BANK OF NEW YORK MELLON

By:
Name:
Title:
Date:



EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29 June 2012

Dear Sirs,

Confirmation - Funding Swap (Fixed Rate Loans – more than 15yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Weighted Average Fixed Rate for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Fixed Rate Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Fixed Rate Ratio means, in respect of a Distribution Period, the Relevant Average Fixed Rate Loan Balance divided by the Average Loan Balance.

Fixed Rate Spread means 1.30% per annum, or such other rate specified as the Fixed Rate Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Fixed Rate Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment

Date immediately following such Interest Period and (B) the Fixed Rate Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Fixed Rate Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Fixed Rate Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Fixed Rate Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Fixed Rate Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Fixed Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Fixed Rate Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such time that the interest rate payable by the Borrower on all or part of the Outstanding Principal Balance does not vary (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may be set at a fixed or variable

margin above or below rates set from time to time by the Bank of England) and that have a remaining period up to their reset dates of more than 15 years, such reset date being the date on which the Relevant Fixed Rate Loans reset into Variable Rate Loans. The remaining period shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Weighted Average Fixed Rate means, in respect of a Distribution Period, the weighted average of the fixed rates of interest charged to borrowers of Relevant Fixed Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

**Business Day centres
for all Payments:** London, New York, TARGET

**Business Day
Convention:** Modified Following

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

Interim Exchange Amount: Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Fixed Rate Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

Party B Interim Exchange Date: In respect of an Interim Exchange Amount, the relevant New Closing Date

Party A Interim Exchange Date: In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

**Calculation of
Amounts:** On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments: If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date;
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be

due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. **Account Details:**

Payments to Party A:

Payments to Party B:

4. **Notice Details:**

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London

E14 5AL

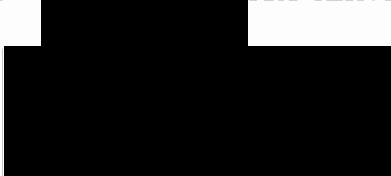
Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBEY NATIONAL TREASURY SERVICES PLC

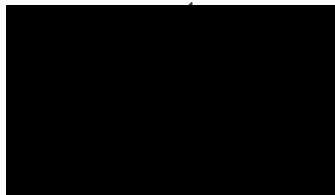
By:
Name:
Title:
Date:



Confirmed as of the date first written:

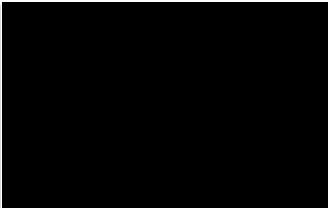
HOLMES FUNDING LIMITED

By:
Name:
Title:
Date:



THE BANK OF NEW YORK MELLON

By:
Name:
Title:
Date:



EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29 June 2012

Dear Sirs,

Confirmation - Funding Swap (Tracker Loans – more than 3yrs but less than or equal to 5yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Tracker Swap Rate for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Tracker Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Tracker Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Tracker Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Tracker Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Tracker Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Tracker Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Tracker Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Tracker Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Tracker Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms) and that have a remaining period of more than 3 years but less than or equal to 5 years up to the earlier of (i) their reset date if any (such reset date being the date on which the rate of the Tracker Loans resets to another rate which is not set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and (ii) their maturity date. The remaining period shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to

such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Tracker Ratio means, in respect of a Distribution Period, the Relevant Average Tracker Loan Balance divided by the Average Loan Balance.

Tracker Spread means 0.75% per annum, or such other rate specified as the Tracker Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Tracker Swap Rate means, in respect of a Distribution Period, a rate of interest, linked to the Bank of England repo rate, as determined by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

**Business Day centres
for all Payments:**

London, New York, TARGET

**Business Day
Convention:**

Modified Following

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

Interim Exchange Amount: Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Tracker Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

Party B Interim Exchange Date: In respect of an Interim Exchange Amount, the relevant New Closing Date

Party A Interim Exchange Date: In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

**Calculation of
Amounts:**

On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments:

If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date;
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be

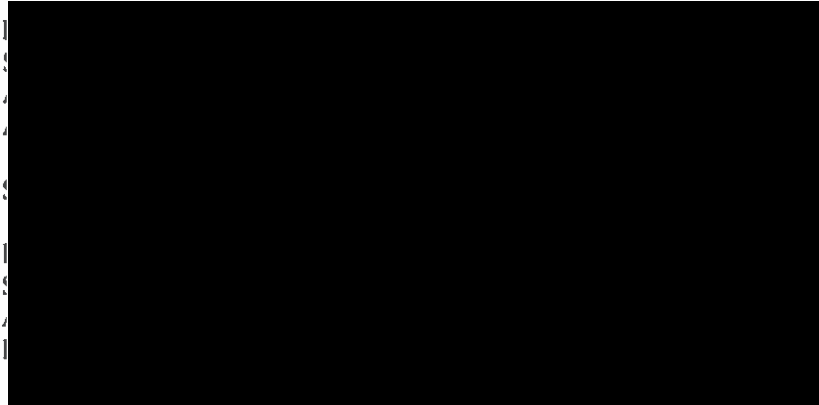
due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. **Account Details:**

Payments to Party A:

Payments to Party B:



4. **Notice Details:**

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London

E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

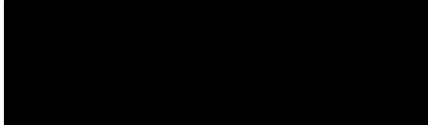
ABBEY NATIONAL TREASURY SERVICES PLC

By:

Name:

Title:

Date:



Confirmed as of the date first written:

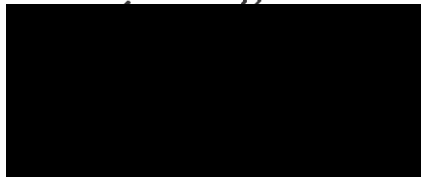
HOLMES FUNDING LIMITED

By:

Name:

Title:

Date:



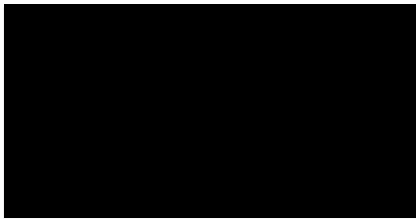
THE BANK OF NEW YORK MELLON

By:

Name:

Title:

Date:



EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

27

June 2012

Dear Sirs,

Confirmation - Funding Swap (Tracker Loans – 3yrs or less)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Tracker Swap Rate for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Tracker Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Tracker Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Tracker Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Tracker Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Tracker Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Tracker Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Tracker Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Tracker Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Tracker Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms) and that have a remaining period of 3 years or less up to the earlier of (i) their reset date if any (such reset date being the date on which the rate of the Tracker Loans resets to another rate which is not set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and (ii) their maturity date. The remaining period shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to

such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Tracker Ratio means, in respect of a Distribution Period, the Relevant Average Tracker Loan Balance divided by the Average Loan Balance.

Tracker Spread means 0.75% per annum, or such other rate specified as the Tracker Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Tracker Swap Rate means, in respect of a Distribution Period, a rate of interest, linked to the Bank of England repo rate, as determined by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

Business Day centres for all Payments: London, New York, TARGET

Business Day Convention: Modified Following

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

Interim Exchange Amount: Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Tracker Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

Party B Interim Exchange Date: In respect of an Interim Exchange Amount, the relevant New Closing Date

Party A Interim Exchange Date: In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

Calculation of Amounts:

On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments: If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date;
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be

due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. Account Details:

Payments to Party A:

Payments to Party B:

4. Notice Details:

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London

E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBEY NATIONAL TREASURY SERVICES PLC

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]
Date: [REDACTED]

Confirmed as of the date first written:

HOLMES FUNDING LIMITED

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]
Date: [REDACTED]

THE BANK OF NEW YORK MELLON

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]
Date: [REDACTED]

EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29 June 2012

Dear Sirs,

Confirmation - Funding Swap (Tracker Loans – more than 5yrs but less than or equal to 10yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Tracker Swap Rate for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Tracker Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Tracker Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Tracker Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Tracker Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Tracker Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Tracker Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Tracker Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Tracker Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Tracker Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms) and that have a remaining period of more than 5 years but less than or equal to 10 years up to the earlier of (i) their reset date if any (such reset date being the date on which the rate of the Tracker Loans resets to another rate which is not set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and (ii) their maturity date. The remaining period shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to

such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Tracker Ratio means, in respect of a Distribution Period, the Relevant Average Tracker Loan Balance divided by the Average Loan Balance.

Tracker Spread means 0.75% per annum, or such other rate specified as the Tracker Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Tracker Swap Rate means, in respect of a Distribution Period, a rate of interest, linked to the Bank of England repo rate, as determined by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

Business Day centres

for all Payments: London, New York, TARGET

Business Day

Convention: Modified Following

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

Interim Exchange Amount: Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Tracker Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

Party B Interim Exchange Date: In respect of an Interim Exchange Amount, the relevant New Closing Date

Party A Interim Exchange Date: In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

Calculation of Amounts:

On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments:

If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date;
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be

due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. **Account Details:**
Payments to Party A:

Payments to Party B:

4. **Notice Details:**

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
 Santander House (SHM 135)
 201 Grafton Gate East
 Milton Keynes
 MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
 One Canada Square
 London

E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBEY NATIONAL TREASURY SERVICES PLC

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

Confirmed as of the date first written:

HOLMES FUNDING LIMITED

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

THE BANK OF NEW YORK MELLON

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29

June 2012

Dear Sirs,

Confirmation - Funding Swap (Tracker Loans – more than 10yrs but less than or equal to 15yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Tracker Swap Rate for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Tracker Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Tracker Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Tracker Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Tracker Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Tracker Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Tracker Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Tracker Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Tracker Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Tracker Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms) and that have a remaining period of more than 10 years but less than or equal to 15 years up to the earlier of (i) their reset date if any (such reset date being the date on which the rate of the Tracker Loans resets to another rate which is not set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and (ii) their maturity date. The remaining period shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to

such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Tracker Ratio means, in respect of a Distribution Period, the Relevant Average Tracker Loan Balance divided by the Average Loan Balance.

Tracker Spread means 0.75% per annum, or such other rate specified as the Tracker Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Tracker Swap Rate means, in respect of a Distribution Period, a rate of interest, linked to the Bank of England repo rate, as determined by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

**Business Day centres
for all Payments:** London, New York, TARGET

**Business Day
Convention:** Modified Following

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

Interim Exchange Amount: Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Tracker Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

Party B Interim Exchange Date: In respect of an Interim Exchange Amount, the relevant New Closing Date

Party A Interim Exchange Date: In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

**Calculation of
Amounts:** On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments: If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date;
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be

due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. Account Details:

Payments to Party A:

Payments to Party B:

4. Notice Details:

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London

E14 5AL

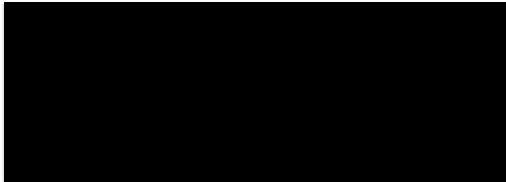
Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBEY NATIONAL TREASURY SERVICES PLC

By:
Name:
Title:
Date:



Confirmed as of the date first written.

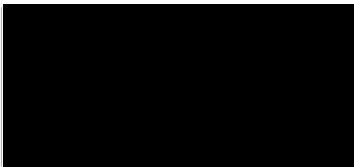
HOLMES FUNDING LIMITED

By:
Name:
Title:
Date:



THE BANK OF NEW YORK MELLON

By:
Name:
Title:
Date:



EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29

June 2012

Dear Sirs,

Confirmation - Funding Swap (Tracker Loans – more than 15yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Tracker Swap Rate for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Tracker Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Tracker Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Tracker Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Tracker Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Tracker Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Tracker Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Tracker Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Tracker Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Tracker Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms) and that have a remaining period of more than 15 years up to the earlier of (i) their reset date if any (such reset date being the date on which the rate of the Tracker Loans resets to another rate which is not set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and (ii) their maturity date. The remaining period shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to

such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Tracker Ratio means, in respect of a Distribution Period, the Relevant Average Tracker Loan Balance divided by the Average Loan Balance.

Tracker Spread means 0.75% per annum, or such other rate specified as the Tracker Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Tracker Swap Rate means, in respect of a Distribution Period, a rate of interest, linked to the Bank of England repo rate, as determined by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

**Business Day centres
for all Payments:** London, New York, TARGET

**Business Day
Convention:** Modified Following

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

Interim Exchange Amount: Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Tracker Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

Party B Interim Exchange Date: In respect of an Interim Exchange Amount, the relevant New Closing Date

Party A Interim Exchange Date: In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

**Calculation of
Amounts:** On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments: If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date;
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be

due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. **Account Details:**
Payments to Party A:

Payments to Party B:

4. **Notice Details:**

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London

E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBEY NATIONAL TREASURY SERVICES PLC

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

Confirmed as of the date first written:

HOLMES FUNDING LIMITED

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

THE BANK OF NEW YORK MELLON

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29 June 2012

Dear Sirs,

Confirmation - Funding Swap (Variable Rate Loans – 3yrs or less)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Variable Rate Swap SVR for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Variable Rate Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Variable Rate Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Variable Rate Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Variable Rate Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Variable Rate Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Variable Rate Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Variable Rate Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Variable Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Variable Rate Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may at any time be varied in accordance with the relevant Mortgage Terms (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and that have a remaining maturity of 3 years or less. The remaining maturity shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Reference Lenders means Barclays Bank plc, Lloyds TSB Bank plc, National Westminster Bank plc, Bank of Scotland plc, Nationwide Building Society and Northern Rock plc (or their respective successors) and such additional or replacement residential mortgage lenders as shall be determined by the Calculation Agent and **Reference Lender** means any one of them.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Variable Rate Ratio means, in respect of a Distribution Period, the Relevant Average Variable Rate Loan Balance divided by the Average Loan Balance.

Variable Rate Spread means 2.95% per annum, or such other rate specified as the Variable Rate Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Variable Rate Swap SVR means, in respect of a Distribution Period, the rate of interest equal to the average of the standard variable rate or its equivalent charged to existing borrowers on residential mortgage loans as published from time to time after excluding the highest and lowest rate, of the Reference Lenders, as determined by the Cash Manager in good faith and notified to the Calculation Agent from time to time in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

| | |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Day centres for all Payments: | London, New York, TARGET |
| Business Day Convention: | Modified Following |
| Interim Exchanges: | |
| Total Interim Exchange Amount: | Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date |
| Interim Exchange Amount: | Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Variable Rate Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount) |
| Party B Interim Exchange Date: | In respect of an Interim Exchange Amount, the relevant New Closing Date |
| Party A Interim Exchange Date: | In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date |
| Calculation of Amounts: | On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below. |
| Payments: | If, in relation to any Interest Payment Date: <ul style="list-style-type: none"> (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date; (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date; |

- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. Account Details:

Payments to Party A:

Payments to Party B:

4. Notice Details:

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

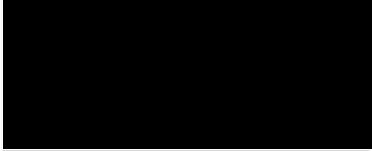
Address: 40th Floor
One Canada Square
London
E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

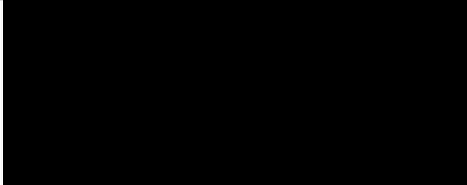
Yours faithfully,

ABBHEY NATIONAL TREASURY SERVICES PLC

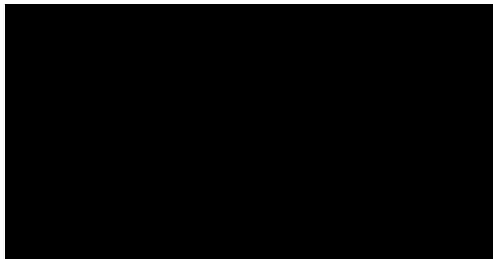
By: 
Name:
Title:
Date:

Confirmed as of the date first written:

HOLMES FUNDING LIMITED

By: 
Name:
Title:
Date:

THE BANK OF NEW YORK MELLON

By: 
Name:
Title:
Date:

EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29

June 2012

Dear Sirs,

Confirmation - Funding Swap (Variable Rate Loans – more than 3yrs but less than or equal to 5yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Variable Rate Swap SVR for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Variable Rate Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Variable Rate Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Variable Rate Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Variable Rate Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by

the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Variable Rate Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Variable Rate Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Variable Rate Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Variable Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Variable Rate Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may at any time be varied in accordance with the relevant Mortgage Terms (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and that have a remaining maturity of more than 3 years but less than or equal to 5 years. The remaining maturity shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Reference Lenders means Barclays Bank plc, Lloyds TSB Bank plc, National Westminster Bank plc, Bank of Scotland plc, Nationwide Building Society and Northern Rock plc (or their respective

successors) and such additional or replacement residential mortgage lenders as shall be determined by the Calculation Agent and *Reference Lender* means any one of them.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Variable Rate Ratio means, in respect of a Distribution Period, the Relevant Average Variable Rate Loan Balance divided by the Average Loan Balance.

Variable Rate Spread means 2.95% per annum, or such other rate specified as the Variable Rate Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Variable Rate Swap SVR means, in respect of a Distribution Period, the rate of interest equal to the average of the standard variable rate or its equivalent charged to existing borrowers on residential mortgage loans as published from time to time after excluding the highest and lowest rate, of the Reference Lenders, as determined by the Cash Manager in good faith and notified to the Calculation Agent from time to time in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

| | |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Day centres for all Payments: | London, New York, TARGET |
| Business Day Convention: | Modified Following |
| Interim Exchanges: | |
| Total Interim Exchange Amount: | Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date |
| Interim Exchange Amount: | Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Variable Rate Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount) |
| Party B Interim Exchange Date: | In respect of an Interim Exchange Amount, the relevant New Closing Date |
| Party A Interim Exchange Date: | In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date |
| Calculation of Amounts: | On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below. |
| Payments: | If, in relation to any Interest Payment Date: <ul style="list-style-type: none"> (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date; (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date; |

- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. Account Details:

Payments to Party A:

Payments to Party B:

4. Notice Details:

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the
Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London
E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBAY NATIONAL TREASURY SERVICES PLC

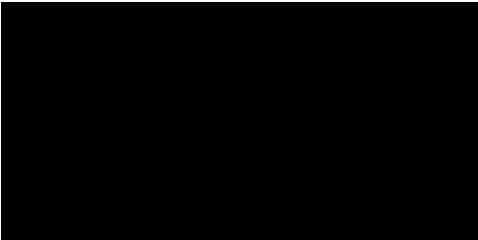
By: 
Name:
Title:
Date:

Confirmed as of the date first written:

HOLMES FUNDING LIMITED

By: 
Name:
Title:
Date:

THE BANK OF NEW YORK MELLON

By: 
Name:
Title:
Date:

EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29

June 2012

Dear Sirs,

Confirmation - Funding Swap (Variable Rate Loans – more than 5yrs but less than or equal to 10yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Variable Rate Swap SVR for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Variable Rate Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Variable Rate Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Variable Rate Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Variable Rate Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by

the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Variable Rate Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Variable Rate Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Variable Rate Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Variable Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Variable Rate Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may at any time be varied in accordance with the relevant Mortgage Terms (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and that have a remaining maturity of more than 5 years but less than or equal to 10 years. The remaining maturity shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Reference Lenders means Barclays Bank plc, Lloyds TSB Bank plc, National Westminster Bank plc, Bank of Scotland plc, Nationwide Building Society and Northern Rock plc (or their respective

successors) and such additional or replacement residential mortgage lenders as shall be determined by the Calculation Agent and *Reference Lender* means any one of them.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Variable Rate Ratio means, in respect of a Distribution Period, the Relevant Average Variable Rate Loan Balance divided by the Average Loan Balance.

Variable Rate Spread means 2.95% per annum, or such other rate specified as the Variable Rate Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Variable Rate Swap SVR means, in respect of a Distribution Period, the rate of interest equal to the average of the standard variable rate or its equivalent charged to existing borrowers on residential mortgage loans as published from time to time after excluding the highest and lowest rate, of the Reference Lenders, as determined by the Cash Manager in good faith and notified to the Calculation Agent from time to time in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

| | |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Day centres for all Payments: | London, New York, TARGET |
| Business Day Convention: | Modified Following |
| Interim Exchanges: | |
| Total Interim Exchange Amount: | Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date |
| Interim Exchange Amount: | Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Variable Rate Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount) |
| Party B Interim Exchange Date: | In respect of an Interim Exchange Amount, the relevant New Closing Date |
| Party A Interim Exchange Date: | In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date |
| Calculation of Amounts: | On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below. |
| Payments: | If, in relation to any Interest Payment Date: <ul style="list-style-type: none"> (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date; (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date; |

- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be

3. **Account Details:**
Payments to Party A:

Payments to Party B:

4. **Notice Details:**

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
 Santander House (SHM 135)
 201 Grafton Gate East
 Milton Keynes
 MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London
E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBHEY NATIONAL TREASURY SERVICES PLC

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

Confirmed as of the date first written.

HOLMES FUNDING LIMITED

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

THE BANK OF NEW YORK MELLON

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29 June 2012

Dear Sirs,

Confirmation - Funding Swap (Variable Rate Loans – more than 10yrs but less than or equal to 15yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Variable Rate Swap SVR for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Variable Rate Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Variable Rate Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Variable Rate Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Variable Rate Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by

the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Variable Rate Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Variable Rate Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Variable Rate Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Variable Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Variable Rate Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may at any time be varied in accordance with the relevant Mortgage Terms (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and that have a remaining maturity of more than 10 years but less than or equal to 15 years. The remaining maturity shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Reference Lenders means Barclays Bank plc, Lloyds TSB Bank plc, National Westminster Bank plc, Bank of Scotland plc, Nationwide Building Society and Northern Rock plc (or their respective

successors) and such additional or replacement residential mortgage lenders as shall be determined by the Calculation Agent and *Reference Lender* means any one of them.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Variable Rate Ratio means, in respect of a Distribution Period, the Relevant Average Variable Rate Loan Balance divided by the Average Loan Balance.

Variable Rate Spread means 2.95% per annum, or such other rate specified as the Variable Rate Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Variable Rate Swap SVR means, in respect of a Distribution Period, the rate of interest equal to the average of the standard variable rate or its equivalent charged to existing borrowers on residential mortgage loans as published from time to time after excluding the highest and lowest rate, of the Reference Lenders, as determined by the Cash Manager in good faith and notified to the Calculation Agent from time to time in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

| | |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Day centres for all Payments: | London, New York, TARGET |
| Business Day Convention: | Modified Following |
| Interim Exchanges: | |
| Total Interim Exchange Amount: | Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date |
| Interim Exchange Amount: | Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Variable Rate Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount) |
| Party B Interim Exchange Date: | In respect of an Interim Exchange Amount, the relevant New Closing Date |
| Party A Interim Exchange Date: | In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date |
| Calculation of Amounts: | On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below. |
| Payments: | If, in relation to any Interest Payment Date: <ul style="list-style-type: none"> (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date; (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date; |

- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. Account Details:

Payments to Party A:

Payments to Party B:

4. Notice Details:

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the
Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London
E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBAY NATIONAL TREASURY SERVICES PLC

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]
Date: [REDACTED]

Confirmed as of the date first written:

HOLMES FUNDING LIMITED

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]
Date: [REDACTED]

THE BANK OF NEW YORK MELLON

By: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]
Date: [REDACTED]

EXECUTION VERSION

From: Abbey National Treasury Services plc
2 Triton Square
Regent's Place
London
NW1 3AN

To: Holmes Funding Limited
c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Attention: Securitisation Team, Accounting and Support Finance

To: The Bank of New York Mellon, London Branch

40th Floor
One Canada Square
London
E14 5AL

Attention: Trustee Administration Manager

29 June 2012

Dear Sirs,

Confirmation - Funding Swap (Variable Rate Loans – more than 15yrs)

This letter, together with the other Funding Swap Confirmations, amends and restates with effect from the next Interest Payment Date following the date of this Confirmation (the "**Amendment Effective Date**") the Confirmation entered into between us, you and The Chase Manhattan Bank, London Branch (now The Bank of New York Mellon, London Branch) (the "**Security Trustee**") on 29th November, 2000 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time and most recently amended and restated on 8 June 2012. This letter constitutes a "**Confirmation**" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us, you and the Security Trustee dated as of 26 July 2000, as amended and/or restated and/or supplemented from time to time (the "**Agreement**"). As of the Amendment Effective Date, all rights and obligations of the parties to the Old Confirmation shall cease to exist and shall be replaced in their entirety by the rights and obligations arising pursuant to this Confirmation and each other Funding Swap Confirmation. The amendments constituted by this Confirmation shall only become effective on the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule; and (iii) the Definitions. The following expressions shall have the following meanings:

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

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

Distribution Date means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day or, as the case may be, the date on which (i) the Seller makes a Refinancing Contribution to Funding to acquire a portion of Funding's share of the Trust Property pursuant to Clause 6 of the Mortgages Trust Deed, (ii) the date that Funding acquires a portion of the Current Seller Share of the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed, or (iii) Funding pays moneys (excluding Deferred Consideration) to the Seller in consideration of the Seller assigning New Loans to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement or (iv) Funding receives an Existing Notes Refinancing Contribution and the Seller acquires a portion of the Funding Share of the Trust Property equal to such Existing Notes Refinancing Contribution.

Distribution Period means the period from (and including) a Distribution Date to (but excluding) the next following Distribution Date.

Distribution Period Funding Amount means, in respect of a Distribution Period, an amount in Sterling equal to the amount produced by applying the Variable Rate Swap SVR for such Distribution Period to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Distribution Period Swap Provider Amount means, in respect of a Distribution Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the Three Month LIBOR prevailing on the last day of such Distribution Period plus the Variable Rate Spread to the Notional Amount for such Distribution Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Distribution Period, divided by 365.

Funding Amount means, in respect of an Interest Period, the lowest of (i) an amount equal to the sum of each of the Distribution Period Funding Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Funding Available Amount for that Interest Period.

Funding Available Amount means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the aggregate of the Revenue Receipts in respect of the Relevant Variable Rate Loans forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (ii) the product of (A) amounts falling under paragraph (b) of the definition of Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period and (B) the Variable Rate Ratio minus (iii) Third Party Amounts (which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account or, as applicable, the Alternative Accounts) in respect of the Relevant Variable Rate Loans which are subtracted from the Mortgages Trustee Available Revenue Receipts forming part of the Funding Revenue Receipts that are available to be applied on the Interest Payment Date immediately following such Interest Period minus (iv) an amount equal to the product of (X) the aggregate of the amounts required to be paid on such Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement and (Y) the Variable Rate Ratio.

Funding Swap Confirmation means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

Intercompany Loan means, any Intercompany Loan entered into between Funding, an Issuer and the Security Trustee.

Interest Payment Date means 15th January, 15th April, 15 July and 15th October in each year, commencing on 15th October, 2000.

Interest Period means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Issuer means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the Effective Date and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

Notional Amount means, in respect of a Distribution Period, an amount in Sterling equal to the product of (1) the difference between (i) the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Distribution Period and (ii) the sum of the balance of the Principal Deficiency Ledger attributable to such Intercompany Loans on the first day of such Distribution Period and the amount of principal receipts in the Funding GIC Account attributable to such Intercompany Loans during the relevant Distribution Period and (2) the Variable Rate Ratio. The Notional Amount shall be determined on the first day of the relevant Distribution Period after any changes made on such date to the principal amount outstanding of the Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account have become effective.

Relevant Average Variable Rate Loan Balance means, in respect of a Distribution Period, the average outstanding daily principal balance of the Relevant Variable Rate Loans during the relevant Distribution Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Relevant Variable Rate Loans means Loans (which for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may at any time be varied in accordance with the relevant Mortgage Terms (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England) and that have a remaining maturity of more than 15 years. The remaining maturity shall, for this purpose, be determined at the close of business on the day immediately preceding the relevant Distribution Period or the day immediately preceding the Distribution Period that ends during the relevant Interest Period.

Reference Lenders means Barclays Bank plc, Lloyds TSB Bank plc, National Westminster Bank plc, Bank of Scotland plc, Nationwide Building Society and Northern Rock plc (or their respective successors) and such additional or replacement residential mortgage lenders as shall be determined by the Calculation Agent and **Reference Lender** means any one of them.

Revenue Shortfall Ratio means, in respect of an Interest Period, a ratio equal to (i) the Funding Amount corresponding to such Interest Period divided by (ii) the Funding Amount corresponding to such Interest Period assuming, for the purposes of this subparagraph (ii) only, that subparagraph (ii) of the definition of Funding Amount did not apply.

Swap Provider Amount means, in respect of an Interest Period, an amount equal to the product of (i) the sum of each of the Distribution Period Swap Provider Amounts calculated in respect of the Distribution Periods which end on a date falling within such Interest Period and (ii) the Revenue Shortfall Ratio for that Interest Period.

Three Month LIBOR means the weighted average of the rates of interest (excluding spreads) applicable to any outstanding Intercompany Loans.

Variable Rate Ratio means, in respect of a Distribution Period, the Relevant Average Variable Rate Loan Balance divided by the Average Loan Balance.

Variable Rate Spread means 2.95% per annum, or such other rate specified as the Variable Rate Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Distribution Periods 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 Rated Notes to be downgraded or placed under review for possible downgrade.

Variable Rate Swap SVR means, in respect of a Distribution Period, the rate of interest equal to the average of the standard variable rate or its equivalent charged to existing borrowers on residential mortgage loans as published from time to time after excluding the highest and lowest rate, of the Reference Lenders, as determined by the Cash Manager in good faith and notified to the Calculation Agent from time to time in accordance with the provisions of the Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Eighth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter & May on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).

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

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------|
| Party A: | Abbey National Treasury Services plc |
| Party B: | Holmes Funding Limited |
| Trade Date: | 26th July, 2000 |
| Effective Date: | 26th July, 2000 |
| Termination Date: | The date on which the aggregate principal amount outstanding of the Intercompany Loans is reduced to zero. |

| | |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Day centres for all Payments: | London, New York, TARGET |
| Business Day Convention: | Modified Following |
| Interim Exchanges: | |
| Total Interim Exchange Amount: | Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date |
| Interim Exchange Amount: | Shall be the product of (i) the Total Interim Exchange Amount, and (ii) the Variable Rate Ratio, both calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount) |
| Party B Interim Exchange Date: | In respect of an Interim Exchange Amount, the relevant New Closing Date |
| Party A Interim Exchange Date: | In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date |
| Calculation of Amounts: | On the Distribution Date immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below. |
| Payments: | If, in relation to any Interest Payment Date: <ul style="list-style-type: none"> (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date; (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date; |

- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent: Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. Account Details:

Payments to Party A:

Payments to Party B:

4. Notice Details:

Party A: Abbey National Treasury Services plc

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

Facsimile Number: +44 20 7612 4442

Attention: Company Secretary

Party B: Holmes Funding Limited

Address: c/o Santander UK plc
Santander House (SHM 135)
201 Grafton Gate East
Milton Keynes
MK9 1AN

Facsimile Number: +44 1908 344 797

Attention: Securitisation Team, Accounting & Support Finance

With a copy to the
Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor
One Canada Square
London
E14 5AL

Facsimile Number: +44 20 7964 2509

Attention: Trustee Administration Manager

Yours faithfully,

ABBHEY NATIONAL TREASURY SERVICES PLC

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

Confirmed as of the date first written:

HOLMES FUNDING LIMITED

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]

THE BANK OF NEW ZEALAND

By: [Redacted]
Name: [Redacted]
Title: [Redacted]
Date: [Redacted]