

# **THIRTEENTH AMENDED AND RESTATED CASH MANAGEMENT AGREEMENT**

14 May 2025

**SANTANDER UK PLC**

**as Seller and as Cash Manager**

**and**

**HOLMES TRUSTEES LIMITED**

**as Mortgages Trustee**

**and**

**HOLMES FUNDING LIMITED**

**as Funding**

**and**

**THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH**

**as Security Trustee**

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**THIS THIRTEENTH AMENDED AND RESTATED CASH MANAGEMENT AGREEMENT** is made on 14 May 2025 (the **Agreement**)

**BETWEEN:**

- (1) **SANTANDER UK PLC**, a public limited company incorporated under the laws of England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN in its capacity as cash manager (the **Cash Manager**, which expression shall include such other person as may from time to time be appointed as cash manager pursuant to this Agreement);
- (2) **SANTANDER UK PLC**, a public limited company incorporated under the laws of England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN in its capacity as Seller of the Loans (the **Seller**);
- (3) **HOLMES TRUSTEES LIMITED** (registered number 3982431), a private limited company incorporated under the laws of England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (the **Mortgages Trustee**);
- (4) **HOLMES FUNDING LIMITED** (registered number 3982428), a private limited company incorporated under the laws of England and Wales whose registered office is 2 Triton Square, Regent's Place, London NW1 3AN (**Funding** and, together with the Seller, the **Beneficiaries**); and
- (5) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH**, whose principal office is at 160 Queen Victoria Street, London, EC4V 4LA, in its capacity as trustee (the **Security Trustee** which expression shall include such company and all other persons or companies for the time being acting as the trustee or trustees under the Funding Deed of Charge).

**WHEREAS:**

- (A) On the Initial Closing Date, the First Issuer issued the First Issuer Notes constituted by the First Issuer Trust Deed. From the proceeds of the issue of those First Issuer Notes, the First Issuer made a loan to Funding pursuant to the terms of the First Issuer Intercompany Loan Agreement. From the proceeds of that loan, Funding paid the Initial Consideration to the Seller as consideration in part for the assignment by the Seller to the Mortgages Trustee of the Initial Portfolio pursuant to the Mortgage Sale Agreement.
- (B) The Cash Manager agreed to provide Cash Management Services to the Mortgages Trustee, Funding and the Security Trustee on the terms and subject to the conditions contained in the Cash Management Agreement dated the Initial Closing Date (as amended, restated and/or supplemented from time to time, the **Cash Management Agreement**).
- (C) On 29 November 2000, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in an Amendment Agreement to the Cash Management Agreement of the same date.
- (D) On 26 March 2003, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management as set out in a Second Amendment Agreement to the Cash Management Agreement of the same date.

- (E) On 1 April 2004, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in a Third Amendment Agreement to the Cash Management Agreement of the same date.
- (F) On 8 December 2005, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Amended and Restated Cash Management Agreement of the same date.
- (G) On 19 December 2008, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Second Amended and Restated Cash Management Agreement of the same date.
- (H) On 16 July 2009, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Third Amended and Restated Cash Management Agreement of the same date.
- (I) On 8 October 2010, the parties to the Cash Management Agreement agreed to supplement the terms of the Cash Management Agreement as set out in a Supplemental Cash Management Agreement of the same date.
- (J) On 12 November 2010, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Fourth Amended and Restated Cash Management Agreement of the same date.
- (K) On 29 June 2012, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Fifth Amended and Restated Cash Management Agreement of the same date.
- (L) On 7 March 2013, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Sixth Amended and Restated Cash Management Agreement of the same date.
- (M) On 29 August 2013, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Seventh Amended and Restated Cash Management Agreement of the same date.
- (N) On 18 December 2014, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Eighth Amended and Restated Cash Management Agreement of the same date.
- (O) On 18 April 2016, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Ninth Amended and Restated Cash Management Agreement of the same date.
- (P) On 24 May 2019, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Tenth Amended and Restated Cash Management Agreement of the same date.
- (Q) On 21 April 2020, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Eleventh Amended and Restated Cash Management Agreement of the same date.

- (R) On 12 May 2021, the parties to the Cash Management Agreement agreed to amend the terms of the Cash Management Agreement as set out in the Twelfth Amended and Restated Cash Management Agreement of the same date.
- (S) The parties to the Cash Management Agreement have agreed to amend and restate the terms of the Cash Management Agreement as set out herein.
- (T) Each of the parties hereto acknowledges and agrees that the Security Trustee has entered into this Agreement in reliance upon director's certificates provided by certain of the Funding Secured Creditors and statements in the board minutes of the Master Issuer evidencing its approval of the amendments to be effected hereby.
- (U) The Cash Manager hereby agrees to provide Cash Management Services to the Mortgages Trustee, Funding and the Security Trustee on the terms and subject to the conditions contained in this Agreement as it may be modified, supplemented or amended and restated from time to time in relation to, *inter alia*, the Trust Property.

**IT IS HEREBY AGREED** as follows:

## **1. DEFINITIONS AND INTERPRETATION**

- 1.1 The Twenty-Second Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen Overy Shearman Sterling LLP and Ashurst LLP on or about the date hereof (as the same may be amended, varied or supplemented from time to time with the consent of the parties hereto) (the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Agreement and, accordingly, Clause 3 of the Twenty-Second Amended and Restated Master Definitions and Construction Schedule is expressly and specifically incorporated herein and the expressions defined in the Master Definitions and Construction Schedule (as so amended, varied or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the Recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in Clause 2 of the Master Definitions and Construction Schedule.
- 1.2 Any reference in this Agreement to any discretion, power, right, duty or obligation on the part of the Mortgages Trustee shall be as exercised by the Mortgages Trustee subject in each case to the provisions of Clause 15.2 of the Mortgages Trust Deed.
- 1.3 This Agreement amends and restates the Cash Management Agreement made on 26 July 2000 between the parties hereto as amended, restated and/or supplemented on 29 November 2000, 26 March 2003, 1 April 2004, 8 December 2005, 19 December 2008, 16 July 2009, 8 October 2010, 12 November 2010, 29 June 2012, 7 March 2013, 29 August 2013, 18 December 2014, 18 April 2016, 24 May 2019, 21 April 2020 and 12 May 2021 (the **Principal Agreement**). Save as amended or modified by this Agreement, the Principal Agreement shall continue in full force and effect but on the basis that its terms are, as from the date of this Agreement, those set out in this Agreement.

## **2. APPOINTMENT OF CASH MANAGER**

### **2.1 Appointment**

Until termination pursuant to Clause 13, the Mortgages Trustee, Funding and the Security Trustee (according to their respective estates and interests) each hereby appoints the Cash Manager as its lawful agent to provide the Cash Management Services set out in this Agreement, including in relation to:

- (a) the Mortgages Trust; and
- (b) Funding,

and the Cash Manager in each case hereby accepts such appointment on the terms and subject to the conditions of this Agreement.

### **2.2 Duties prescribed by Transaction Documents**

For the avoidance of doubt and in connection with the powers conferred under Clause 2.1, save as expressly provided elsewhere in this Agreement, nothing herein shall be construed so as to give the Cash Manager any powers, rights, authorities, directions or obligations other than as specified in this Agreement or any of the other Transaction Documents.

## **3. THE SERVICES**

### **3.1 General**

The Cash Manager shall provide the services set out in this Agreement (including, without limitation, the Schedules) (the **Cash Management Services**).

### **3.2 Approvals and Authorisations**

The Cash Manager shall maintain, or procure the maintenance of, the approvals, authorisations, consents and licences required in connection with the respective businesses of the Mortgages Trustee and Funding and shall prepare and submit, or procure the preparation and submission of, on behalf of the Mortgages Trustee and Funding, all necessary applications and requests for any further approvals, authorisations, consents or licences which may be required in connection with the respective businesses of the Mortgages Trustee and Funding and shall, so far as it reasonably can do so, perform the Cash Management Services in such a way as not to prejudice the continuation of any such approvals, authorisations, consents or licences.

### **3.3 Compliance with Transaction Documents, etc.**

The Cash Management Services shall include procuring (so far as the Cash Manager, using its reasonable endeavours, is able so to do) compliance by the Mortgages Trustee and Funding with all applicable legal requirements and with the terms of the Transaction Documents to which each of the Mortgages Trustee and/or Funding is a party, PROVIDED ALWAYS THAT the Cash Manager shall not lend or provide any sum to the Mortgages Trustee or Funding (other than as expressly contemplated by the Transaction Documents) and the Cash Manager shall have no liability whatsoever to the Mortgages Trustee, Funding, the Security Trustee or any other person for any failure by the Mortgages Trustee or Funding to make any payment due by any of

them under any of the Transaction Documents (other than to the extent arising from (i) the Cash Manager failing to make a payment in its capacity as Servicer, Mortgages Trustee GIC Provider, Funding GIC Provider, Funding Swap Provider or Account Bank or in any other capacity under the Transaction Documents, or (ii) the Cash Manager failing to perform any of its obligations under any of the Transaction Documents).

### **3.4 Liability of Cash Manager**

- (a) The Cash Manager shall indemnify each of the Mortgages Trustee, Funding and the Security Trustee on demand on an after-Tax basis for any loss, liability, claim, expense or damage suffered or incurred by any of them in respect of the negligence, bad faith or wilful default of the Cash Manager in carrying out its functions as Cash Manager under this Agreement or under the other Transaction Documents or as a result of a breach by the Cash Manager of the terms and provisions of this Agreement or any other Transaction Documents to which the Cash Manager is a party (in its capacity as such) in relation to such functions.
- (b) For the avoidance of doubt, the Cash Manager shall not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by the Mortgages Trustee, Funding, or the Security Trustee and/or any other person as a result of the proper performance of the Cash Management Services by the Cash Manager save to the extent that such loss, liability, claim, expense or damage is suffered or incurred as a result of any negligence, bad faith or wilful default of the Cash Manager or as a result of a breach by the Cash Manager of the terms and provisions of this Agreement or any other Transaction Document to which the Cash Manager is a party (in its capacity as such) in relation to such functions.

## **4. PAYMENTS, ACCOUNTS, LEDGERS**

### **4.1 Bank Accounts**

- (a) The Cash Manager hereby confirms that the Mortgages Trustee GIC Account has been established on or before the Initial Closing Date pursuant to the Bank Account Agreement and the Mortgages Trustee Guaranteed Investment Contract and that the Mortgages Trustee GIC Account Mandate in the agreed form will apply thereto at the Initial Closing Date. The Cash Manager undertakes (to the extent to which the same is within its control) that it will not create or permit to subsist any Security Interest in relation to the Mortgages Trustee GIC Account (but without prejudice to the Mortgages Trust).
- (b) The Cash Manager hereby confirms that the Funding GIC Account has been established on or before the date hereof pursuant to the Bank Account Agreement and the Funding Guaranteed Investment Contract and that the Funding GIC Account Mandate in the agreed form will apply thereto at the date hereof. The Cash Manager undertakes (to the extent to which the same is within its control) that it will not knowingly create or permit to subsist any Security Interest in relation to the Funding GIC Account other than as created under or permitted pursuant to the Funding Deed of Charge.
- (c) The Cash Manager hereby confirms that the Funding Transaction Account has been established on or before the date hereof and that the Funding Transaction Account Mandate in the agreed form will apply thereto at date hereof. The Cash Manager undertakes (to the extent to which the same is within its control) that it will not

knowingly create or permit to subsist any Security Interest in relation to the Funding Transaction Account other than as created under or permitted pursuant to the Funding Deed of Charge.

#### **4.2 Mortgages Trustee Ledgers**

- (a) The Cash Manager shall open and maintain in the books of the Mortgages Trustee certain ledgers to be known as the Revenue Ledger and the Principal Ledger, which together shall reflect the aggregate of all amounts standing to the credit of the Mortgages Trustee GIC Account and of the Alternative Accounts from time to time.
- (b) The Cash Manager shall also open and maintain in the books of the Mortgages Trustee certain ledgers to be known as the Losses Ledger and the Funding Share/Seller Share Ledger.
- (c) The Cash Manager shall make credits and debits to the Mortgages Trustee Ledgers in the manner described in paragraphs 9, 10, 11, 12, 13 and 19 of Schedule 2.

#### **4.3 Funding Ledgers**

- (a) The Cash Manager shall open and maintain in the books of Funding certain ledgers to be known as the Funding Revenue Ledger, the Funding Principal Ledger, the First Reserve Ledger, the Eligible Bank Ledger, the Funding Reserve Ledger, the Cash Accumulation Ledger and the Cash Accumulation Sub-Ledger which shall, together with the amounts standing to the credit of the Funding Liquidity Reserve Ledger, reflect the aggregate of all amounts of cash standing to the credit of the Funding GIC Account and the Funding Transaction Account, all amounts deposited with Eligible Banks, all amounts invested in Authorised Investments purchased from amounts standing to the credit of the Funding GIC Account and the Funding Transaction Account from time to time.
- (b) On the Interest Payment Date following a Funding Liquidity Reserve Fund Relevant Event, the Cash Manager shall open and maintain in the books of Funding a further ledger, to be known as the Funding Liquidity Reserve Ledger.
- (c) The Cash Manager shall also open and maintain in the books of Funding certain ledgers to be known as (i) the Principal Deficiency Ledger, which shall comprise certain sub-ledgers to be known as the AAA Principal Deficiency Sub Ledger, the AA Principal Deficiency Sub Ledger, the A Principal Deficiency Sub Ledger, the BBB Principal Deficiency Sub Ledger, the NR Principal Deficiency Sub Ledger and the Funding Loan Principal Deficiency Sub Ledger (ii) the Intercompany Loan Ledger, and (iii) the Extraordinary Payment Holiday Start-up Loan Ledger. If Funding enters into New Intercompany Loan Agreements and the New Term Advances advanced thereunder have different Term Advance Ratings to the Term Advance Ratings assigned to the existing Term Advances, then the Cash Manager shall establish new sub-ledgers in respect of the Principal Deficiency Ledger, which shall correspond to the Term Advance Ratings assigned to each such New Term Advance.
- (d) The Cash Manager shall make credits and debits to the Funding Ledgers in accordance with the provisions of paragraphs 9, 10, 11, 14, 15, 16, 17, 18, 19, 20 and 21 of Schedule 2.



#### **4.4 Bank Accounts**

(a) The Cash Manager shall procure that, so far as it may be able in relation to all Loans comprised in the Portfolio, the following amounts are paid into the Mortgages Trustee GIC Account:

- (i) all Monthly Payments, other interest received under and in respect of the Loans and any costs or other amounts received under the Loans (including in any such case amounts recovered on enforcement of rights against any Borrower or guarantor of the Borrower, any Property or any of the Borrower's or guarantor's other property or assets);
- (ii) all final releases and all repayments or prepayments of principal under the Loans;
- (iii) any amount received by or on behalf of the Mortgages Trustee pursuant to any Santander Insurance Policy or the Buildings Policies; and
- (iv) any other amounts whatsoever received by or on behalf of the Mortgages Trustee after the Initial Closing Date,

and the Cash Manager shall procure that all interest earned on the Mortgages Trustee GIC Account is credited to such account.

(b) The Cash Manager shall procure that the following amounts are paid into the Funding Transaction Account:

- (i) all Funding Revenue Receipts;
- (ii) all Funding Principal Receipts;
- (iii) all amounts standing to the credit of the Reserve Funds;
- (iv) all amounts received by Funding pursuant to each relevant Funding Swap Agreement (other than any amounts of collateral required to be posted by the Funding Swap Provider which shall be paid into an account established in the name of Funding for such purpose); and
- (v) any other amounts whatsoever received by or on behalf of Funding after the Initial Closing Date other than (i) the "cash benefit" (as described in each relevant Funding Swap Agreement, relating to any Tax Credit defined in the Funding Swap Agreement) relating to any Gross-Up Amount (as defined in the relevant Funding Swap Agreement) that the Funding Swap Provider is required to make and (ii) any early termination amount received by Funding under each relevant Funding Swap Agreement which is applied to enter into a new swap agreement, if required, and any premium received from a replacement Funding Swap Provider to the extent it is used to pay an early termination amount due and payable by Funding with respect to the relevant Funding Swap being replaced.

(c) The Cash Manager:

- (i) authorises Account Bank A, acting as agent in the name and on behalf of Funding, to deposit all or part of the amounts standing to the credit of the

Funding Transaction Account from time to time with Eligible Banks (pursuant to an Eligible Bank Account Agreement) in accordance with paragraphs 7.4(a) and 7.4(b) of the Bank Account Agreement; and

- (ii) will confirm with the Rating Agencies whether the rates referred to in paragraph 7.4(a) of the Bank Account Agreement would cause the then current ratings of the Notes to be downgraded, withdrawn or qualified; and
  - (iii) will provide instructions to Account Bank A to deposit all or part of the amounts standing to the credit of the Funding Transaction Account from time to time with Eligible Banks in accordance with the Panel Bank Guidelines or to transfer all or part of such amounts to the Funding GIC Account.
- (d) With regard to the instructions provided under paragraph (c) above, the Cash Manager will, in providing such instructions, act in accordance with the Panel Bank Guidelines. The Cash Manager will establish such Panel Bank Guidelines from time to time (the initial form of the Panel Bank Guidelines is included in Schedule 5) provided that (i) no modifications shall be made to the Panel Bank Guidelines unless (i) such modifications have been notified in advance to the Rating Agencies, Account Bank A and the Security Trustee, (ii) the Rating Agencies have confirmed in writing that the then current ratings of the Notes would not be adversely affected by such modifications and (iii) such modifications shall not have any adverse effect on the security in respect of the Notes.
- (e) The Cash Manager shall procure
  - (A) (i) all interest earned on the Funding Transaction Account is credited to such account; (ii) all interest earned on the Funding GIC Account is credited to such account; (iii) all interest earned on accounts held with Eligible Banks is either credited to each such account and transferred to the Funding Transaction Account at the end of the relevant deposit period (or rolled-over into the next deposit period) or credited to another account or in another manner as may be agreed between the Cash Manager and Account Bank A from time to time, subject also to the provisions of each Eligible Bank Account Agreement; and (iv) all investment proceeds from Authorised Investments purchased from amounts standing to the credit of the Funding GIC Account are credited to such account; and
  - (B) all interest credited to the relevant Funding Bank Accounts in accordance with paragraph (e)(A) above is transferred to the Funding Transaction Account at the latest by 10 a.m. (London time) on each Interest Payment Date for application in accordance with the relevant Funding Priority of Payments,except that any interest earned on any account into which any collateral under the Funding Swap Agreement or any investment proceeds from Authorised Investments in which such collateral is invested shall be paid into the account established by Funding into which any collateral under the Funding Swap Agreement is paid.
- (f) The Cash Manager shall procure that all transfers and withdrawals of amounts standing to the credit of the Funding Transaction Account and the Funding GIC

Account shall be made in accordance with the provisions of the Funding Deed of Charge.

- (g) Each of the payments into the Mortgages Trustee GIC Account, the Funding Transaction Account and the Funding GIC Account referred to in Clauses 4.4(a), (b), (c), (d) and (e) shall be made forthwith upon receipt by the Mortgages Trustee, Funding or the Cash Manager, as the case may be, of the amount in question.
- (h) For the avoidance of doubt, as soon as reasonably practicable after becoming aware of the same, the Cash Manager may, and shall, withdraw Cash from, as the case may be, the Mortgages Trustee GIC Account, the Funding Transaction Account, the Funding GIC Account or any other Funding Bank Account if, and to the extent that, such Cash was credited thereto in error and shall use its reasonable endeavours to ensure that such Cash is applied correctly thereafter.
- (i) The Cash Manager shall promptly notify each of the Mortgages Trustee, Funding and the Security Trustee of any additional account which supplements or replaces any account specifically referred to in the definitions of the "Mortgages Trustee GIC Account", the "Funding Transaction Account" or the "Funding GIC Account" in the Master Definitions Schedule.
- (j) Each of the Cash Manager, the Mortgages Trustee and Funding undertakes that, so far as it is able to procure the same, the Mortgages Trustee GIC Account, the Funding Transaction Account, and the Funding GIC Account and all instructions and Mandates in relation thereto will continue to be operative and will not, save as provided in Clause 4.6 below or as permitted pursuant to the Bank Account Agreement, be changed without the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed). For the avoidance of doubt, the Cash Manager may change the Authorised Signatories in respect of any instructions or Mandates relating to Funding and/or the Mortgages Trustee, without the prior written consent of the Security Trustee, in accordance with Clause 4.2 of the Bank Account Agreement.
- (k) The Cash Manager and Funding agree that the Cash Manager shall procure that the First Reserve Tranche (if any) of any New Start-Up Loan Agreement shall be credited to the Funding Transaction Account promptly upon receipt of such amounts by Funding and the First Reserve Ledger shall record such credit.

#### **4.5 Withdrawals**

The Cash Manager may make withdrawals:

- (a) on behalf of the Mortgages Trustee from the Mortgages Trustee GIC Account; and
- (b) on behalf of Funding from the Funding GIC Account, but only:
  - (i) with the prior consent of the Security Trustee following receipt of a request for withdrawal in writing from the Cash Manager on behalf of Funding; and
  - (ii) until receipt of an Intercompany Loan Enforcement Notice served by the Security Trustee on Funding (with a copy to the Cash Manager and the Mortgages Trustee); and

- (c) on behalf of Funding from the Funding Transaction Account, but only until receipt of an Intercompany Loan Enforcement Notice served by the Security Trustee on Funding (with a copy to the Cash Manager and the Mortgages Trustee),

respectively as permitted by this Agreement, the Mortgages Trust Deed, the Bank Account Agreement, the Mortgages Trustee Guaranteed Investment Contract, the Funding Guaranteed Investment Contract and the Funding Deed of Charge, but shall not in carrying out its functions as Cash Manager under this Agreement otherwise make withdrawals from the Mortgages Trustee GIC Account or the Funding Bank Accounts (other than any Funding Bank Account to which collateral provided under the Funding Swap Agreement is credited, which withdrawals shall be made in accordance with Clause 4.7).

#### **4.6 Cash Management**

In administering the Mortgages Trustee GIC Account, the Funding Transaction Account, and the Funding GIC Account on behalf of the Mortgages Trustee, Funding and the Security Trustee respectively, the Cash Manager shall comply with the provisions of Schedule 2 prior to receipt by the Cash Manager of a copy of any Intercompany Loan Enforcement Notice served by the Security Trustee on Funding.

#### **4.7 Collateral posted under the Funding Swap Agreement**

- (a) Any and all amounts of collateral provided to Funding by the Funding Swap Provider pursuant to the Funding Swap Agreement will be paid into an account which will be established by Funding or otherwise invested by the Cash Manager on behalf of Funding in Authorised Investments.
- (b) For the avoidance of doubt, references in this Agreement to amounts received from the Funding Swap Provider under the Funding Swap Agreement will, save as provided below exclude any and all amounts of collateral provided to Funding by the Funding Swap Provider.
- (c) Any and all amounts standing to the credit of the account established by Funding into which any collateral under the Funding Swap Agreement is paid shall not be available to the Cash Manager for application in accordance with the relevant Funding Priority of Payments (but shall instead be applied in accordance with the terms of the Funding Swap Agreement) unless, and subject always to the terms of the Funding Deed of Charge (securing such amounts in favour of the Security Trustee on behalf of the Funding Secured Creditors), there is an early termination of the Funding Swap Agreement. Following such an early termination, the value of the relevant collateral will be applied in the calculation of the early termination amount payable under the Funding Swap Agreement, and if such early termination amount is payable by the Funding Swap Provider and is not to be applied by Funding in or towards the costs of entering into a replacement swap agreement pursuant to Clause 6.2, it will be available for application by the Cash Manager in accordance with the relevant Funding Priority of Payments.

#### **4.8 Funding Loan**

- (a) The Cash Manager shall (on behalf of Funding) make drawings under the Funding Loan Agreement by delivering drawdown notices thereunder and shall accordingly ensure that the outstanding amount of the Funding Loan shall at all times be at least

equal to the amounts which are or will be deposited by Funding on the Santander A-2/P-2/F2 Account on a Distribution Date in accordance with the Panel Bank Guidelines.

- (b) The Cash Manager shall apply or direct that the proceeds of amounts drawn under the Funding Loan are paid to the Seller in accordance with clause 4.1 of the Mortgages Trust Deed thereby causing the Funding Share to increase and the Seller Share to decrease.
- (c) The Cash Manager shall determine on any Trust Calculation Date the amount by which it expects the Funding Loan will exceed the amounts which it reasonably expects will be deposited on the Santander A-2/P-2/F2 Account from time to time and which may be prepaid (the **Funding Loan Prepayable Amount**). The Cash Manager shall also determine the amount of Mortgages Trust Available Principal Receipts that (absent any distributions of Mortgages Trust Available Principal Receipts to be made in respect of the Funding Loan) are available to be distributed to the Seller (the **Potential Seller Principal Distribution Amount**).
- (d) The Cash Manager shall take such steps as are necessary (including delivery of any required prepayment notices under the Funding Loan Agreement) to ensure that the Funding Loan is prepaid on the next following Interest Payment Date in an amount equal to the lower of (i) the Funding Loan Prepayable Amount and (ii) the Potential Seller Principal Distribution Amount. The Cash Manager shall not be required to take such steps if it considers based on reasonable grounds that further amounts may be deposited in the future in the Santander A-2/P-2/F2 Account.
- (e) Amounts which cannot be withdrawn from the Santander A-2/P-2/F2 Account (including without limitation, in the event of a moratorium on insolvency, bank insolvency, administration or bank administration of Santander UK or it being unable to pay these amounts) shall cease to constitute Funding Available Principal Receipts or Funding Available Revenue Receipts (as appropriate) and shall not be available to be applied in accordance with the Funding Priorities of Payments.

## 5. **THIRD PARTY AMOUNT**

The Cash Manager shall withdraw any Third Party Amounts due to the Seller and pay the same to the Seller, by telegraphic or electronic transfer to such account as may be specified by the Seller from time to time, promptly following a request for such withdrawal being received from the Seller. For the avoidance of doubt, the Cash Manager shall not record the receipt or withdrawal of Third Party Amounts in any of the ledgers maintained under this Agreement.

## 6. **SWAPS**

### 6.1 **Computations under Funding Swaps**

On each Trust Calculation Date, the Cash Manager shall determine, in accordance with the terms of the Funding Swap(s), in respect of the relevant Trust Calculation Period or Interest Period, as applicable:

- (a) the Average Loan Balance, the Average Fixed Rate Loan Balance, the Average Variable Rate Loan Balance and the Average Tracker Loan Balance (each as defined in the Funding Swap Agreement);

- (b) the Relevant Average Tracker Loan Balance, the Relevant Average Variable Rate Loan Balance and the Relevant Average Fixed Rate Loan Balance (each as defined in the Funding Swap Agreement);
- (c) the Funding Available Amount in the confirmations forming part of the Funding Swap Agreement;
- (d) the Weighted Average Fixed Rate, the Weighted Average Tracker Rate and the Weighted Average SVR Rate (each as defined in the Funding Swap Agreement);
- (e) the Variable Rate LIBOR Spread, the Tracker LIBOR Spread, the Fixed Rate LIBOR Spread, the Variable Rate SONIA Spread, the Tracker SONIA Spread, the Fixed Rate SONIA Spread (each as defined in the confirmations forming part of the Funding Swap Agreement),

and shall notify Funding and the Security Trustee of such amounts, balances and rates.

## **6.2 Termination of Funding Swap**

If the Funding Swap is terminated prior to the date of the earlier of either (i) the reduction of the aggregate principal amount outstanding of all Intercompany Loans to zero or (ii) the service of an Intercompany Loan Enforcement Notice, then Funding shall purchase a new hedge which hedges the amounts hedged under the Funding Swap with the previous Funding Swap Provider. The Cash Manager shall make arrangements for Funding to enter into any such hedging transaction, on terms acceptable to Funding and which are in accordance with the then current ratings criteria of the relevant Rating Agencies, with the Security Trustee and a new Funding Swap Provider, provided that the Rating Agencies have previously confirmed in writing to Funding, the Master Issuer and the Security Trustee that such arrangements with such new Funding Swap Provider will not cause the then current rating of the Rated Notes to be downgraded, withdrawn or qualified (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that the confirmation of one of the Rating Agencies may be sufficient for that purpose in respect of the Rated Notes, *provided that* (i) a written request for confirmation or response has been delivered to each Rating Agency by or on behalf of the Master Issuer (copied to the Security Trustee) and (ii) one or more Rating Agencies either (x) indicates it does not consider such confirmation or response necessary or (y) such request elicits no confirmation or response by such Rating Agency within a reasonable timeframe). The Cash Manager may apply any early termination payment received from the Funding Swap Provider pursuant to the Funding Swap Agreement for such purpose.

If Funding receives any premium from a replacement Funding Swap Provider in respect of a replacement Funding Swap, such premium will first be used to make any termination payment due and payable by Funding with respect to the replaced Funding Swap, unless such termination payment has already been made.

The "cash benefit" (as described in the Funding Swap Agreement) relating to any Tax Credit (as defined in the Funding Swap Agreement) relating to any Gross-Up Amount (as defined in the Funding Swap Agreement) that the Funding Swap Provider is required to make, will be paid to the relevant Funding Swap Provider by Funding as soon as practicable after receipt of the same from the relevant taxing authority in

accordance with the terms of the Funding Swap Agreement and will not be applied in accordance with the relevant Funding Priority of Payments.

## **7. NO LIABILITY**

Save as otherwise provided in this Agreement, the Cash Manager shall have no liability for the obligations of either the Mortgages Trustee, Funding or the Security Trustee under any of the Transaction Documents or otherwise and nothing herein shall constitute a guarantee, or similar obligation, by the Cash Manager of the Mortgages Trustee, Funding or the Security Trustee in respect of any of them.

## **8. COSTS AND EXPENSES**

- 8.1 Subject to and in accordance with the applicable Funding Priority of Payments set out in the Funding Deed of Charge, Funding will on each Interest Payment Date reimburse the Cash Manager for all out-of-pocket costs, expenses and charges (together with an amount equal to any Irrecoverable VAT thereon, and for which the Cash Manager is liable to account) properly incurred by the Cash Manager in the performance of the Cash Management Services including any such costs, expenses or charges not reimbursed to the Cash Manager on any previous Interest Payment Date and the Cash Manager shall supply the Mortgages Trustee or Funding with an appropriate VAT invoice issued by the Cash Manager or, if the Cash Manager has treated the relevant cost, expense or charge as a disbursement for VAT purposes, by the person making the supply.
- 8.2 Unless and until otherwise agreed by Funding and the Security Trustee in writing (notified to the Cash Manager), Funding shall be solely responsible for reimbursing the Cash Manager for the out-of-pocket costs, expenses and charges (together with an amount equal to any Irrecoverable VAT thereon) properly incurred by the Cash Manager and referred to in Clause 8.1 above.

## **9. INFORMATION**

### **9.1 Use of I.T. systems**

- (a) The Cash Manager represents and warrants that at the date hereof in respect of the software which is to be used by the Cash Manager in providing the Cash Management Services it has in place all necessary licences and/or consents from the respective licensor or licensors (if any) of such software.
- (b) The Cash Manager undertakes that it shall for the duration of this Agreement, use reasonable endeavours to:
- (i) ensure that the licences and/or consents referred to in paragraph (a) are maintained in full force and effect; and
  - (ii) except in so far as it would breach any of its other legal obligations, grant to any person to whom it may sub-contract or delegate the performance of all or any of its powers and obligations under this Agreement and/or to such person as the Mortgages Trustee and Funding elect as a substitute cash manager in accordance with the terms of this Agreement a licence to use any proprietary software together with any updates which may be made thereto from time to time.

- (c) The Cash Manager shall use reasonable endeavours to maintain in working order the information technology systems used by the Cash Manager in providing the Cash Management Services.
- (d) The Cash Manager shall pass to any person to whom it may sub-contract or delegate the performance of all or any of its powers and obligations under this Agreement and/or to such person as the Mortgages Trustee and Funding elect as a substitute cash manager in accordance with the terms of this Agreement the benefit of any warranties in relation to the software insofar as the same are capable of assignment.

## **9.2 Bank Account Statements**

The Cash Manager shall take all reasonable steps to ensure that it receives:

- (a) a monthly bank statement in relation to the Mortgages Trustee GIC Account and any Alternative Accounts (and any additional or supplemental bank account of the Mortgages Trustee) and that it furnishes a copy of such statement to each of the Mortgages Trustee, the Seller, Funding and the Security Trustee; and
- (b) monthly bank statements in relation to each of the Funding Transaction Account, and the Funding GIC Account (and any additional or supplemental bank account of Funding) and that it furnishes a copy of such statements to Funding and the Security Trustee.

## **9.3 Access to Books and Records**

Subject to all applicable laws, the Cash Manager shall permit the Auditors of the Mortgages Trustee and Funding and any other person nominated by the Security Trustee or the Beneficiaries (to whom the Cash Manager has no reasonable objection) at any time during normal office hours upon reasonable notice to have access, or procure that such person or persons are granted access, to all books of record and account relating to the Cash Management Services provided by the Cash Manager and related matters in accordance with this Agreement.

## **9.4 Statutory Obligations**

The Cash Manager shall use its reasonable endeavours, on behalf of the Mortgages Trustee and Funding, to prepare or procure the preparation of and file all reports, annual returns, financial statements, statutory forms and other returns which each of the Mortgages Trustee and Funding is required by law to prepare and file. Subject to approval thereof by the directors of the Mortgages Trustee or Funding (as appropriate), the Cash Manager shall cause such accounts to be audited by the Auditors and shall procure, so far as it is able so to do that the Auditors shall make a report thereon as required by law and copies of all such documents shall be delivered to the Mortgages Trustee, the Security Trustee and Funding (as appropriate) and the Rating Agencies as soon as practicable after the end of each accounting reference period of the Mortgages Trustee or Funding (as appropriate).

## **9.5 Information Covenants**

- (a) The Cash Manager shall provide the Mortgages Trustee, Funding, the Security Trustee, the Seller and the Rating Agencies and any other nationally recognised statistical rating organisation (as defined in the U.S. Credit Rating Agency Reform



Act of 2006) to the extent required by, and subject to the certification conditions under, Rule 17g-5(a)(3) of the Exchange Act:

- (i) quarterly with a report in, or substantially in, the form set out in Schedule 3 in respect of the Mortgages Trustee; and
  - (ii) quarterly with a report in, or substantially in, the form set out in Schedule 4 in respect of Funding.
- (b) The Cash Manager shall provide, or procure the provision, to the Mortgages Trustee, Funding, the Security Trustee and the Rating Agencies copies of any annual returns or financial statements referred to in Clause 9.4 as soon as reasonably practicable after the preparation thereof.
- (c) The Cash Manager shall notify the Security Trustee and the Rating Agencies in writing of the details of (i) any material amendment to the Transaction Documents, (ii) the occurrence of an Intercompany Loan Event of Default or Potential Intercompany Loan Event of Default and (iii) any other information relating to the Cash Manager as the Security Trustee and the Rating Agencies may reasonably request in connection with their obligations under this Agreement, PROVIDED THAT the Security Trustee and the Rating Agencies shall not make such a request more than once every three months unless, in the belief of the Security Trustee, an Intercompany Loan Event of Default, a Note Event of Default or Cash Manager Termination Event (as defined in Clause 13.1) shall have occurred and is continuing or a Potential Intercompany Loan Event of Default or a Potential Note Event of Default shall have occurred and is continuing PROVIDED THAT such request does not adversely interfere with the Cash Manager's day to day provision of the Cash Management Services under the other terms of this Agreement.
- (d) The Cash Manager shall, at the request of the Security Trustee and/or the Rating Agencies, furnish the Security Trustee and/or the Rating Agencies with such other information relating to its business and financial condition as it may be reasonable for the Security Trustee and/or the Rating Agencies to request in connection with this Agreement, PROVIDED THAT such request does not adversely interfere with the Cash Manager's day to day provision of the Cash Management Services under the other terms of this Agreement.
- (e) The Cash Manager agrees to co-operate fully and to do all such further acts and things as may be necessary or desirable, and to provide all information in its possession necessary for any reporting obligation, to enable Funding 1 and the Mortgages Trustee to comply with their obligations to assist the Seller (as originator) to comply with (i) the requirements of SECN 6 and Article 7 of Chapter 2 of the PRA Securitisation Rules, and (ii) the obligations of the Seller pursuant to clause 10.10 (EU Securitisation Regulation) of the Funding Deed of Charge.

## **10. REMUNERATION**

### **10.1 Fee Payable**

- (a) Subject to paragraph (b) below, Funding shall pay to the Cash Manager for its Cash Management Services hereunder a cash management fee which shall be agreed in writing between Funding, the Security Trustee and the Cash Manager from time to time.

- (b) Unless and until otherwise agreed by Funding and the Security Trustee in writing (notified to the Cash Manager), Funding shall be solely responsible for paying the cash management fee to the Cash Manager which is referred to in paragraph (a) above.
- (c) Without prejudice to paragraph (a) and (b) above, the parties to this Agreement hereby acknowledge and agree that no fee shall be payable by Funding to the Cash Manager in respect of any reporting services provided or obligations under Clauses 9.4, 9.5(a), 9.5(e) or paragraph (l) of Schedule 1.

## **10.2 Payment of Fee**

The cash management fee referred to in Clause 10.1 shall be paid to the Cash Manager in arrear on each Interest Payment Date in the manner contemplated by and in accordance with the provisions of the applicable Funding Priority of Payments.

## **11. COVENANTS OF CASH MANAGER**

### **11.1 Covenants**

The Cash Manager hereby covenants with and undertakes to each of the Mortgages Trustee, Funding and the Security Trustee that without prejudice to any of its specific obligations hereunder:

- (a) it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions hereunder;
- (b) it will comply with any proper directions, orders and instructions which the Mortgages Trustee, Funding or the Security Trustee may from time to time give to it in accordance with the provisions of this Agreement;
- (c) it will use its reasonable endeavours to keep in force all licences, approvals, authorisations and consents which may be necessary in connection with the performance of the Cash Management Services and prepare and submit all necessary applications and requests for any further approval, authorisation, consent or licence required in connection with the performance of the Cash Management Services;
- (d) save as otherwise agreed with the Mortgages Trustee, Funding and the Security Trustee, it will provide free of charge to the Mortgages Trustee and Funding (to the extent the Cash Manager is reasonably able to provide and subject to any customary restrictions, including, but not limited to, in respect of access to premises) during normal office hours office space, facilities, equipment and staff sufficient to fulfil the obligations of the Mortgages Trustee and Funding under this Agreement;
- (e) it will not knowingly fail to comply with any legal requirements in the performance of the Cash Management Services;
- (f) it will make all payments required to be made by it pursuant to this Agreement on the due date for payment thereof for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim; and

- (g) it will not without the prior written consent of the Security Trustee amend or terminate any of the Transaction Documents to which it is a party save in accordance with their terms.

## **11.2 Duration of Covenants**

The covenants of the Cash Manager in Clause 11.1 shall remain in force until this Agreement is terminated but without prejudice to any right or remedy of the Mortgages Trustee and/or Funding and/or the Security Trustee arising from breach of any such covenant prior to the date of termination of this Agreement.

## **12. SERVICES NON-EXCLUSIVE**

Nothing in this Agreement shall prevent the Cash Manager from rendering or performing services similar to those provided for in this Agreement to or for itself or other persons, firms or companies or from carrying on business similar to or in competition with the business of the Mortgages Trustee, Funding or the Security Trustee.

## **13. TERMINATION**

### **13.1 Cash Manager Termination Events**

If any of the following events (**Cash Manager Termination Events**) shall occur:

- (a) default is made by the Cash Manager in the payment on the due date of any payment due and payable by it under this Agreement or in the performance of its obligations under Clauses 4.4 and 4.5 and such default continues unremedied for a period of three London Business Days after the Cash Manager becomes aware of such default; or
- (b) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under this Agreement, which in the reasonable opinion of Funding and/or the Security Trustee is materially prejudicial to the interests of the Funding Secured Creditors and such default continues unremedied for a period of twenty days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Security Trustee requiring the same to be remedied;
- (c) an Insolvency Event occurs,

then Funding and/or the Security Trustee may for so long as such default or event is continuing by notice in writing to the Cash Manager immediately terminate its appointment of the Cash Manager under this Agreement with effect from a date (not earlier than the date of the notice) specified in the notice.

### **13.2 Resignation of Cash Manager**

The appointment of the Cash Manager under this Agreement may be terminated upon the expiry of not less than 12 months' notice of termination given by the Cash Manager to the Mortgages Trustee, Funding and the Security Trustee PROVIDED THAT:

- (a) the Mortgages Trustee, Funding and the Security Trustee consent in writing to such termination;
- (b) a substitute cash manager shall be appointed, such appointment to be effective not later than the date of such termination;
- (c) such substitute cash manager has cash management experience and is approved by the Mortgages Trustee, Funding and the Security Trustee;
- (d) the then substitute cash manager enters into an agreement substantially on the same terms as the relevant provisions of this Agreement (with such amendments as may be agreed by the Mortgages Trustee, Funding and the Security Trustee) and the Cash Manager shall not be released from its obligations under the relevant provisions of this Agreement until such substitute cash manager has entered into such new agreement and the rights of Funding under such agreement are charged in favour of the Security Trustee on terms satisfactory to the Security Trustee; and
- (e) the then current ratings of the Rated Notes are not adversely affected as a result thereof, unless otherwise agreed by an Extraordinary Resolution (as defined in the Trust Deeds of each Issuer) of the holders of each class of the then outstanding Rated Notes of each Issuer.

### **13.3 Effect of Termination**

- (a) On and after termination of the appointment of the Cash Manager under this Agreement pursuant to this Clause 13, all authority and power of the Cash Manager under this Agreement shall be terminated and be of no further effect and the Cash Manager shall not thereafter hold itself out in any way as the agent of the Mortgages Trustee, Funding or the Security Trustee pursuant to this Agreement.
- (b) Upon termination of the appointment of the Cash Manager under this Agreement pursuant to this Clause 13, the Cash Manager shall:
  - (i) forthwith deliver (and in the meantime hold on trust for, and to the order of, the Mortgages Trustee, Funding or the Security Trustee, as the case may be) to the Mortgages Trustee, Funding or the Security Trustee, as the case may be or as they shall direct, all books of account, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of or belongings of the Mortgages Trustee, Funding or the Security Trustee, as the case may be (if practicable, on the date of receipt), any monies then held by the Cash Manager on behalf of the Mortgages Trustee, Funding or the Security Trustee as applicable and any other assets of the Mortgages Trustee, Funding and the Security Trustee, as applicable;
  - (ii) take such further action as the Mortgages Trustee, Funding or the Security Trustee, as the case may be, may reasonably direct at the expense of the

Mortgages Trustee, Funding or the Security Trustee, as the case may be (including in relation to the appointment of a substitute cash manager), provided that neither the Mortgages Trustee nor or the Security Trustee, as the case may be, shall be required to take or direct to be taken such further action unless it has been indemnified and/or secured and/or pre-funded to its satisfaction (and in the event of a conflict between a direction of Funding, the Mortgages Trustee and/or the Security Trustee, the direction of the Security Trustee shall prevail);

- (iii) provide all relevant information contained on computer records in the form of CD-ROM(s) (or other portable data storage medium), together with details of the layout of the files recorded on such CD-ROM(s) (or other portable data storage medium); and
- (iv) co-operate and consult with and assist the Mortgages Trustee, Funding or the Security Trustee or their respective nominees, as the case may be (which shall, for the avoidance of doubt, include any Receiver appointed by any of them), for the purposes of explaining the file layouts and providing the CD-ROMs (or other portable data storage medium) generally containing such computer records on the computer system of the Mortgages Trustee, Funding, or the Security Trustee or such nominees, as the case may be.

#### **13.4 Notice of Event of Default**

The Cash Manager shall deliver to the Mortgages Trustee, Funding and the Security Trustee, as soon as reasonably practicable but in any event within three London Business Days of becoming aware thereof, a notice of any Cash Manager Termination Event or any event which, with the giving of notice or expiry of any grace period or certification, as specified in such Cash Manager Termination Event, would constitute the same or any Intercompany Loan Event of Default or any Potential Intercompany Loan Event of Default.

#### **13.5 General Provisions relating to Termination**

- (a) Termination of this Agreement or of the appointment of the Cash Manager under this Agreement shall be without prejudice to the liabilities of the Mortgages Trustee, Funding and the Security Trustee to the Cash Manager or *vice versa* incurred before the date of such termination. The Cash Manager shall have no right of set-off or any lien in respect of such amounts against amounts held by it on behalf of the Mortgages Trustee, Funding or the Security Trustee.
- (b) This Agreement shall terminate automatically at such time as Funding has no further interest in the Trust Property and the Intercompany Loans have been fully repaid or Funding's obligations under the Intercompany Loans have been otherwise discharged.
- (c) On termination of the appointment of the Cash Manager under the provisions of this Clause 13 the Cash Manager shall be entitled to receive all fees and other monies accrued up to (but excluding) the date of termination but shall not be entitled to any other or further compensation. Such monies so receivable by the Cash Manager shall be paid by Funding on the dates on which they would otherwise have fallen due hereunder and under the terms of the Funding Deed of Charge. For the avoidance of doubt, such termination shall not affect the Cash Manager's rights to receive payment of all amounts (if any) due to it from Funding other than under this Agreement.

- (d) Any provision of this Agreement which is stated to continue after termination of the Agreement shall remain in full force and effect notwithstanding termination.

## **14. FURTHER ASSURANCE**

### **14.1 Co-operation, etc**

The parties hereto agree that they will co-operate fully to do all such further acts and things and execute any further documents as may be necessary or desirable to give full effect to the arrangements contemplated by this Agreement.

### **14.2 Powers of Attorney**

Without prejudice to the generality of Clause 14.1, the Mortgages Trustee, Funding and the Security Trustee shall upon request by the Cash Manager forthwith give to the Cash Manager such further powers of attorney or other written authorisations, mandates or instruments as are necessary to enable the Cash Manager to perform the Cash Management Services.

### **14.3 Change of Security Trustee**

In the event that there is any change in the identity of the Security Trustee or an additional Security Trustee is appointed in accordance with the Funding Deed of Charge, as the case may be, the Cash Manager shall execute such documents with any other parties to this Agreement and take such actions as such new Security Trustee may reasonably require for the purposes of vesting in such new Security Trustee the rights of the Security Trustee under this Agreement and under the Funding Deed of Charge and releasing the retiring Security Trustee from further obligations thereunder and, while any of the Rated Notes of any Issuer remain outstanding, shall give notice thereof to the Rating Agencies.

### **14.4 No Obligation on the Security Trustee**

Nothing herein contained shall impose any obligation or liability on the Security Trustee to assume or perform any of the obligations of the Mortgages Trustee, Funding or the Cash Manager hereunder or render it liable for any breach thereof.

## **15. MISCELLANEOUS**

### **15.1 No Set-off**

Each of the Seller and the Cash Manager agrees that it will not:

- (a) set off or purport to set off any amount which either the Mortgages Trustee or Funding is or will become obliged to pay to it under this Agreement against any amount from time to time standing to the credit of or to be credited to the Mortgages Trustee GIC Account, the Funding Transaction Account or the Funding GIC Account or any replacement or additional bank account of either the Mortgages Trustee or Funding (including any Alternative Account); or
- (b) make or exercise any claims or demands, any rights of counterclaim or any other equities against or withhold payment of any and all sums of money which may at any time and from time to time be standing to the credit of the

Mortgages Trustee GIC Account, the Funding Transaction Account or the Funding GIC Account or any replacement of additional bank account of either the Mortgages Trustee or Funding (including any Alternative Account).

## **15.2 No Petition**

The Cash Manager agrees that for so long as any Notes of any Issuer are outstanding it will not petition or commence proceedings for the administration or winding up of the Mortgages Trustee, Funding or any Issuer or participate in any ex parte proceedings with regard thereto.

## **15.3 No Recourse**

- (a) In relation to all sums due and payable by the Mortgages Trustee or Funding to the Cash Manager, the Cash Manager agrees that it shall have recourse only to sums paid to or received by (or on behalf of) the Mortgages Trustee or Funding pursuant to the provisions of the Transaction Documents.
- (b) For the avoidance of doubt, the Security Trustee shall not be liable to pay any amounts due under Clauses 6 and 8, but without prejudice to the obligations of the Mortgages Trustee or Funding, as the case may be, or any Receiver appointed pursuant to the Funding Deed of Charge in respect of such amounts.
- (c) Notwithstanding any other provisions of this Agreement, all obligations to, and rights of, the Security Trustee under or in connection with this Agreement (other than its obligations under Clause 14) shall automatically terminate upon the discharge in full of the Funding Secured Obligations, PROVIDED THAT this shall be without prejudice to any claims in respect of such obligations and rights arising on or prior to such date.

## **16. CONFIDENTIALITY**

During the continuance of this Agreement or after its termination, each of the Mortgages Trustee, the Cash Manager, the Seller, Funding and the Security Trustee shall use its best endeavours not to disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may exclusively by virtue of being party to the Transaction Documents have become possessed and shall use all reasonable endeavours to prevent any such disclosure as aforesaid, PROVIDED HOWEVER that the provisions of this Clause 16 shall not apply:

- (a) to any information already known to the recipient otherwise than as a result of entering into any of the Transaction Documents;
- (b) to any information subsequently received by the recipient which it would otherwise be free to disclose;
- (c) to any information which is or becomes public knowledge otherwise than as a result of the conduct of the recipient;
- (d) to any extent that the recipient is required to disclose the same pursuant to any law or order of any court or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or

any governmental or other authority (including, without limitation, any official bank examiners or regulators);

- (e) to the extent that the recipient needs to disclose the same for determining the existence of, or declaring, a Note Event of Default, an Intercompany Loan Event of Default or a Cash Manager Termination Event, the protection or enforcement of any of its rights under any of the Transaction Documents or in connection herewith or therewith or for the purpose of discharging, in such manner as it thinks fit, its duties under or in connection with such agreements in each case to such persons as require to be informed of such information for such purposes; or
- (f) in relation to any information disclosed to the professional advisers of the recipient or (in connection with the rating of any debt issued or to be issued by any Issuer) to any credit rating agency and any other nationally recognised statistical rating organisation (as defined in the U.S. Credit Rating Agency Reform Act of 2006) to the extent required by, and subject to the certification conditions under, Rule 17g-5(a)(3) of the Exchange Act or to any prospective new cash manager or prospective new security trustee.

## 17. NOTICES

Any notices to be given pursuant to this Agreement to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, by hand or by email (and in the case of the Cash Manager, the Mortgages Trustee, the Seller or Funding shall only be sufficiently served to the Cash Manager, the Mortgages Trustee, the Seller or Funding if sent by email) and shall be deemed to be given (in the case of email) when despatched if despatched before 17.00 hours on a Business Day or on the next Business Day if despatched thereafter, (in the case of delivery by hand) on the day delivered if delivered before 17.00 hours on a Business Day or on the next Business Day if delivered thereafter or (in the case of first class post) when it would be received in the ordinary course of the post and shall be sent:

- (a) in the case of the Cash Manager, to Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (with a copy via email to: [MTF@santander.co.uk](mailto:MTF@santander.co.uk) and [treasurylegal@santander.co.uk](mailto:treasurylegal@santander.co.uk)) for the attention of Funding, Asset Rotation and Investor Relations and Treasury Legal;
- (b) in the case of the Mortgages Trustee, to Holmes Trustees Limited c/o Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (with a copy via email to: [MTF@santander.co.uk](mailto:MTF@santander.co.uk) and [treasurylegal@santander.co.uk](mailto:treasurylegal@santander.co.uk)) for the attention of Funding, Asset Rotation and Investor Relations and Treasury Legal;
- (c) in the case of the Seller, to Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (with a copy via email to: [MTF@santander.co.uk](mailto:MTF@santander.co.uk) and [treasurylegal@santander.co.uk](mailto:treasurylegal@santander.co.uk)) for the attention of Funding, Asset Rotation and Investor Relations and Treasury Legal;
- (d) in the case of Funding, to Holmes Funding Limited c/o Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (with a copy via email to: [MTF@santander.co.uk](mailto:MTF@santander.co.uk) and [treasurylegal@santander.co.uk](mailto:treasurylegal@santander.co.uk)) for the attention of Funding, Asset Rotation and Investor Relations and Treasury Legal; and



- (e) in the case of the Security Trustee, to The Bank of New York Mellon, acting through its London Branch, 160 Queen Victoria Street, London, EC4V 4LA for the attention of the Trustee Administration Manager with a copy via email to [corpsov4@bnymellon.com](mailto:corpsov4@bnymellon.com)) for the attention of Corporate Trust Administration,

or to such other address or email or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice in accordance with the provisions of this Clause 17.

In no event shall the Security Trustee be liable for any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses) sustained by either party arising due to the Security Trustee receiving or transmitting any data from an Authorised Person via any non-secure method of transmission or communication, such as, but without limitation, by email.

Each party (other than the Security Trustee to this Agreement) accepts that some methods of communication are not secure and the Security Trustee shall incur no liability for accepting Instructions via any such non-secure method. The Security Trustee is authorised to comply with and rely upon any such notice, Instructions or other communications which it believes (acting reasonably and in good faith) to have been sent or given by an Authorised Person. Each party (other than the Security Trustee) to this Agreement shall use all reasonable endeavours to ensure that Instructions transmitted by it to the Security Trustee pursuant to this Agreement are complete and correct. Any Instructions believed by the Security Trustee, acting reasonably and in good faith, to have been sent by an Authorised Person shall be conclusively deemed to be valid instructions from the relevant party (other than the Security Trustee) to this Agreement to the Security Trustee for the purposes of this Agreement.

## **18. VARIATION AND WAIVER**

- 18.1 No variation or waiver of this Agreement shall be effective unless it is in writing and signed by (or by some person duly authorised by) each of the parties. No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.
- 18.2 It is hereby acknowledged and agreed that each of Funding and the Security Trustee will exercise all rights, powers, benefits, duties, functions and/or discretions conferred on it under this Agreement (including, without limitation, in giving its consent, approval or authorisation to any event, matter or thing requested or making any determination hereunder) in accordance with and subject to the provisions of the Controlling Beneficiary Deed (as applicable) and the Funding Deed of Charge.

## **19. NO PARTNERSHIP**

It is hereby acknowledged and agreed by the parties that nothing in this Agreement shall be construed as giving rise to any partnership between any of the parties.

## **20. ASSIGNMENT**

### **20.1 Assignment by the Mortgages Trustee and Funding**

Neither of the Mortgages Trustee nor Funding may assign or transfer any of its respective rights and obligations under this Agreement without the prior written consent of:

- (a) in the case of the Mortgages Trustee, each of the Beneficiaries and the Security Trustee; and
- (b) in the case of Funding, each of the Security Trustee and the Cash Manager,

except that Funding may assign its respective rights hereunder without such consent pursuant to the Funding Deed of Charge.

### **20.2 No assignment by Cash Manager**

The Cash Manager may not assign or transfer any of its rights and obligations under this Agreement without the prior written consent of the Mortgages Trustee, each of the Beneficiaries and the Security Trustee.

## **21. NEW INTERCOMPANY LOAN AGREEMENTS**

If Funding enters into a New Intercompany Loan Agreement, then the Cash Manager, the Seller, Funding, the Security Trustee and the Mortgages Trustee shall execute such documents and take such action as may be reasonably required by the Security Trustee and the Rating Agencies for the purpose of including the New Issuer in the Transaction Documents.

## **22. EXCLUSION OF THIRD PARTY RIGHTS**

The parties to this Agreement do not intend that any term of this Agreement should be enforced, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement.

## **23. COUNTERPARTS**

The Agreement may be executed manually, by facsimile transmission or by electronic transmission, in one or more counterparts.

## **24. GOVERNING LAW**

This Agreement (and any non-contractual obligations arising out of or in connection with it) is governed by, and shall be construed in accordance with, the laws of England.

**IN WITNESS WHEREOF** the parties have caused this Agreement to be executed the day and year first before written.

## **SCHEDULE 1**

### **THE CASH MANAGEMENT SERVICES**

The Cash Manager shall:

- (a) operate the Mortgages Trustee GIC Account, the Funding GIC Account, the Funding Transaction Account, any account held with an Eligible Bank pursuant to an Eligible Bank Account Agreement, and any account established by Funding into which any collateral under the Funding Swap Agreement is paid and ensure that payments are made into and from such accounts in accordance with this Agreement, the Mortgages Trust Deed, the Funding Deed of Charge, the Bank Account Agreement, the Mortgages Trustee Guaranteed Investment Contract, the Funding Guaranteed Investment Contract and any other applicable Transaction Document PROVIDED HOWEVER THAT nothing herein shall require the Cash Manager to make funds available to the Mortgages Trustee or Funding to enable such payments to be made other than as expressly required by the provisions of this Agreement;
- (b) keep sufficient records for all taxation purposes (including, without limitation, VAT);
- (c) assist the auditors of the Mortgages Trustee and Funding and provide such information to them as they may reasonably request for the purpose of carrying out their duties as auditors;
- (d) make all filings, give all notices and make all registrations and other notifications required in the day-to-day operation of the respective businesses of the Mortgages Trustee and Funding or required to be given by the Mortgages Trustee or Funding pursuant to the Transaction Documents;
- (e) arrange for all payments due to be made by the Mortgages Trustee and/or Funding under any of the Transaction Documents, PROVIDED THAT such monies are at the relevant time available to the Mortgages Trustee and/or Funding and PROVIDED FURTHER THAT nothing herein shall constitute a guarantee by the Cash Manager of all or any of the obligations of the Mortgages Trustee or Funding under any of the Transaction Documents;
- (f) without prejudice to the role of and in conjunction with the Corporate Services Provider under the relevant Corporate Services Agreement, keep general books of account and records of the Mortgages Trustee and Funding and provide accounting services, including reviewing receipts and payments, supervising and assisting in the preparation of interim statements and final accounts and supervising and assisting in the preparation of Tax returns;
- (g) without prejudice to the role of and in conjunction with the Corporate Services Provider under the relevant Corporate Services Agreement, provide or procure the provision of company secretarial and administration services to the Mortgages Trustee and Funding including the keeping of all registers and the making of all returns and filings required by applicable law or by US or UK regulatory authorities (including the FCA, the PRA or the SEC), co-operate in the convening of board and general meetings and provide registered office facilities;
- (h) itself on behalf of the Mortgages Trustee and Funding, and PROVIDED THAT such monies are at the relevant time available to the Mortgages Trustee and Funding, pay

all the out-of-pocket expenses of the Mortgages Trustee and Funding, incurred by the Cash Manager on behalf of the Mortgages Trustee and Funding in the performance of the Cash Manager's duties hereunder including without limitation:

- (i) all Taxes which may be due or payable by the Mortgages Trustee and Funding (and, in the case of Funding, having used all reasonable endeavours (on behalf of Funding) to obtain any Tax Credits (as defined in the Funding Swap Agreement) in respect of any amounts paid in accordance with Section 2(d)(i)(4) of the Funding Swap Agreement);
  - (ii) all registration, transfer, filing and other fees and other charges payable in respect of the sale by the Seller of Loans and their Related Security to the Mortgages Trustee;
  - (iii) all necessary filing and other fees in compliance with regulatory requirements;
  - (iv) all legal and audit fees and other professional advisory fees;
  - (v) all communication expenses including postage, courier and telephone charges; and
  - (vi) all premiums payable by the Mortgages Trustee in respect of the Insurance Policies;
- (i) at the request of Funding (but also with the prior written consent of the Security Trustee), invest monies standing from time to time to the credit of the Funding GIC Account and any and all amounts standing to the credit of the account established by Funding into which any collateral under the Funding Swap Agreement is paid in Authorised Investments, subject to the following provisions:
- (i) any such Authorised Investment shall be made in the joint names of Funding and the Security Trustee; and
  - (ii) any costs properly and reasonably incurred in making, changing and realising Authorised Investments will be reimbursed to the Cash Manager and the Security Trustee by Funding; and
  - (iii) all income or proceeds following the disposal or maturity of Authorised Investments shall be credited to, as applicable, the Funding GIC Account or any account established by Funding into which any cash collateral under the Funding Swap Agreement is paid; and
  - (iv) the Security Trustee and the Cash Manager shall not be responsible (save where any loss results from the Security Trustee's or the Cash Manager's own fraud, wilful default or gross negligence or that of its officers or employees) for any loss occasioned by reason of any such Authorised Investments whether by depreciation in value or otherwise provided that such Authorised Investments were made in accordance with the above provisions;
- (j) if the appointment of the Servicer is terminated in accordance with Clause 21.1 of the Servicing Agreement, use reasonable endeavours to identify a substitute servicer that has experience of administering mortgages of residential property in the United

Kingdom and is willing to enter into an agreement substantially on the same terms as the relevant provisions of the Servicing Agreement;

- (k) on behalf of each of Funding and the Issuer, perform any portfolio reconciliation risk mitigation techniques as may be required in accordance with the requirements of article 11(1) of UK EMIR or, as applicable, EU EMIR or procure the performance of such portfolio reconciliation risk mitigation techniques;
- (l) on behalf of each of Funding and the Issuer, carry out the reporting requirements set out in article 9 of UK EMIR or, as applicable, EU EMIR in relation to any swap entered into by Funding or the Issuer, as applicable, and any ancillary activities to such reporting requirements (provided that the Cash Manager shall be permitted to delegate all or any part of any such reporting requirements to the counterparty to such swap transaction) or procure the carrying out of such reporting requirements and any ancillary activities;
- (m) on behalf of each of Funding and the Issuer, perform any dispute resolution risk mitigation techniques as may be required in accordance with the requirements of article 11(1) of UK EMIR or, as applicable, EU EMIR and the terms of the relevant swap transaction or procure the performance of such dispute resolution risk mitigation techniques;
- (n) on behalf of each of Funding and the Issuer (a) monitor whether Funding or the Issuer, as applicable, is (i) a non-financial counterparty and (ii) subject to a clearing obligation pursuant to UK EMIR or, as applicable, EU EMIR in respect of any swap transaction (or procure such monitoring) and (b) make any notifications that are required to be made if Funding or the Issuer, as applicable, is no longer a non-financial counterparty or becomes subject to a clearing obligation under UK EMIR or, as applicable, EU EMIR (or procure such notifications are made); and
- (o) on behalf of Funding, make requests for advances under and pursuant to the Extraordinary Payment Holiday Start-up Loan Agreement.

## **SCHEDULE 2**

### **CASH MANAGEMENT AND MAINTENANCE OF LEDGERS**

#### **1. Determination**

- (a) On each Trust Calculation Date, based on the amount of monies standing to the credit of the Mortgages Trustee GIC Account and any Alternative Accounts as at close of business on the London Business Day immediately preceding the relevant Trust Calculation Date, the Cash Manager shall determine each of the following:
  - (i) the amount of Principal Receipts and Revenue Receipts received during the immediately preceding Trust Calculation Period;
  - (ii) the amount of any Mortgages Trustee Available Revenue Receipts received during the immediately preceding Trust Calculation Period; and
  - (iii) the amount of Mortgages Trustee Available Revenue Receipts and Mortgages Trust Available Principal Receipts to be distributed to Funding and to the Seller on the immediately succeeding Distribution Date.
- (b) On each Trust Calculation Date, the Cash Manager shall determine each of the following:
  - (i) the amount of any Losses incurred on the Loans during the immediately preceding Trust Calculation Period;
  - (ii) each calculation and determination required to be made pursuant to the terms of Clause 8 of the Mortgages Trust Deed; and
  - (iii) the Minimum Seller Share in accordance with Clause 9.2 of the Mortgages Trust Deed.
- (c) On each Intercompany Loan Determination Date (or, in the case of sub-paragraph (iv) below, on each Trust Calculation Date prior to an Interest Payment Date), the Cash Manager shall determine each of the following:
  - (i) the amount of any Funding Available Revenue Receipts to be applied on the following Interest Payment Date in accordance with the Funding Pre-Enforcement Revenue Priority of Payments;
  - (ii) the amount of any Funding Available Principal Receipts to be applied on the following Interest Payment Date in accordance with the Funding Principal Priorities of Payments;
  - (iii) the amount of any Funding Income Deficit; and
  - (iv) the amount of any Funding Revenue Deficit Cure Amount.
- (d) The Cash Manager shall make all the determinations referred to in paragraphs 1(a) to (c) on the basis of the following assumptions:
  - (i) that the amount of any Losses will not increase;

- (ii) that any debit balance on the Principal Deficiency Ledger will not increase; and
- (iii) such other assumptions (including without limitation as to the amount of any payments or provisions to be made in accordance with the applicable Funding Priority of Payments during the period from and including the date of such determination to and excluding such Interest Payment Date) as the Cash Manager considers appropriate.

The Cash Manager shall notify the Mortgages Trustee, Funding and the Security Trustee on request of any such other assumptions and shall take account of any representations made by the Mortgages Trustee and Funding (as the case may be) in relation thereto.

- (e) The Cash Manager shall:
  - (i) make or procure to be made all returns and filings required to be made by Funding and the Mortgages Trustee;
  - (ii) provide or procure the provision of company secretarial and administration services to Funding and the Mortgages Trustee including the keeping of all registers and the making of all returns required by applicable law or by UK regulatory authorities, co-operate in the convening of board and general meetings and provide registered office facilities;
  - (iii) itself on behalf of Funding and the Mortgages Trustee, provided that such moneys are at the relevant time available to Funding and the Mortgages Trustee, pay all out-of-pocket expenses of Funding and the Mortgages Trustee incurred in the performance of the Cash Manager's duties hereunder including, without limitation, all fees payable to the London Stock Exchange plc.
- (f) The Cash Manager shall, if necessary, perform all currency conversions free of charge, cost or expense at the relevant exchange rate (for the purposes of any calculations referred to above, (i) all percentages resulting from such calculations will be rounded to 5 decimal places (with 0.000005 being rounded up to 0.00001) and (ii) any currency amounts used in or resulting from such calculations will be rounded in accordance with the relevant market practice).
- (g) Each determination made in accordance with this paragraph 1 shall (in the absence of bad faith, wilful default, negligence and manifest error) be final and binding on all persons.

## **2. Notification of Determinations**

- (a) The Cash Manager will cause each determination of Principal Receipts, Revenue Receipts, Losses, Mortgages Trustee Available Revenue Receipts, the Funding Share and the Seller Share, the Funding Share Percentage, the Seller Share Percentage and the Minimum Seller Share to be notified forthwith to the Mortgages Trustee, the Beneficiaries and the Security Trustee.
- (b) The Cash Manager will cause each determination of the Funding Income Deficit (if any), the Funding Revenue Deficit Cure Amount (if any), the Funding Available

Principal Receipts and Funding Available Revenue Receipts to be notified forthwith to Funding and the Security Trustee.

**3. Priority of Payments for Mortgages Trustee Available Revenue Receipts**

The Cash Manager shall (unless the intended recipient of the relevant payment agrees otherwise) on each Distribution Date withdraw Cash from the Mortgages Trustee GIC Account and/or, in the case of sums to be provided for, retain Cash in the amounts required (to the extent that such withdrawal does not cause the Mortgages Trustee GIC Account to become overdrawn or, if any amounts are retained by way of provision for the relevant liability and are thus not withdrawn, to the extent that withdrawal of those amounts that are withdrawn would not, if such retained amounts were also to be withdrawn, cause the balance on the Mortgages Trustee GIC Account to become overdrawn). The aggregate amount of the withdrawal on each Distribution Date shall equal the Mortgages Trustee Available Revenue Receipts (as calculated on the immediately preceding Trust Calculation Date in respect of the immediately preceding Trust Calculation Period). The withdrawal shall be used to make the payments and provisions in the order of priority set out in clause 10.2 of the Mortgages Trust Deed (in each case only if and to the extent that payments or provisions of a higher priority have been made in full).

**4. Priority of Payments for Mortgages Trust Available Principal Receipts**

- (a) The Cash Manager shall (unless the intended recipient of the relevant payment agrees otherwise) on each Distribution Date, withdraw Cash from the Mortgages Trustee GIC Account (to the extent only that such withdrawal does not cause the Mortgages Trustee GIC Account to become overdrawn) in an aggregate amount equal to the Mortgages Trust Available Principal Receipts (as calculated on the immediately preceding Trust Calculation Date in respect of the immediately preceding Trust Calculation Period) to make the payments in the order of priority set out in clause 11 of the Mortgages Trust Deed.
- (b) The withdrawal, in each case, shall be applied by the Cash Manager pursuant to the terms of the Mortgages Trust Deed or the Funding Deed of Charge (as applicable).

**5. Priority of Payments for Funding Available Revenue Receipts**

Funding Available Revenue Receipts will be applied by the Cash Manager on each Interest Payment Date until enforcement of the Funding Security pursuant to the Funding Deed of Charge or until such time as there are no amounts outstanding under any Intercompany Loan Agreement, in making such payments and provisions in the order of priority set out in the Funding Pre-Enforcement Revenue Priority of Payments (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) as set out in part I of schedule 3 to the Funding Deed of Charge (as the same may be amended, varied or restated from time to time).



## **6. Priority of Payments for Funding Available Principal Receipts**

Funding Available Principal Receipts will be applied by the Cash Manager on each Interest Payment Date until enforcement of the Funding Security pursuant to the Funding Deed of Charge or until such time as there are no amounts outstanding under any Intercompany Loan Agreement, in making such payments and provisions in the order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) set out in Part II of Schedule 3 to the Funding Deed of Charge.

## **7. Funding Income Deficit**

If the Cash Manager determines on an Intercompany Loan Determination Date that there will be a Funding Income Deficit, then the Cash Manager, on behalf of Funding, shall pay or provide for such Funding Income Deficit by applying Funding Principal Receipts (if any) to make good such Funding Income Deficit, provided always that the Funding Principal Receipts thus applied shall not be used to pay or provide for interest on any Term Advance if and to the extent that would result in a deficiency being recorded or an existing deficiency being increased on a Principal Deficiency Sub-Ledger relating to a higher ranking Term Advance, and the Cash Manager shall make a corresponding entry in the relevant Funding Ledgers as described in paragraphs 14, 15 and 16 below.

## **8. Other Payments**

Each of the Beneficiaries and the Cash Manager agrees, and the Mortgages Trustee concurs, that (save as otherwise specified below) the following payments may be made from the Mortgages Trustee GIC Account (to the extent that withdrawal of those amounts would not cause the balance of the Mortgages Trustee GIC Account to become overdrawn) on any date:

- (i) if any amount has been received from a Borrower for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to either that Borrower or the Seller or the Mortgages Trustee, to pay such amount when due to such third party or, in the case of the payment of an insurance premium, where such third party and the Seller have agreed that payment of commission should be made by deduction from such insurance premium, to pay such amount less such commissions when due to such third party and to pay such commission to the Seller and to pay any premiums in respect of any Insurance Policy or other insurance policy relating to any Loan comprised in the Portfolio;
- (ii) to pay to any person (including the Cash Manager) any amounts due arising from any overpayment by any person or arising from any reimbursement by any person of any such overpayment (including, for the avoidance of doubt, where arising from the failure of a direct debit);
- (iii) to pay when due (but subject to any right to refuse or withhold payment or of set-off that has arisen by reason of the Borrower's breach of the terms of the relevant Mortgage or Loan) any amount payable to a Borrower under the terms of the Mortgage or the Loan to which that Borrower is a party, and to pay when due any amount payable by the Mortgages Trustee to the Seller pursuant to Clauses 3.3, 4.5 and 5.2 of the Mortgage Sale Agreement;

- (iv) to pay to the Seller any amounts (including, for the avoidance of doubt, any Early Repayment Fees) received and held by the Mortgages Trustee on trust for the Seller pursuant to Clause 5 of the Mortgage Sale Agreement;
- (v) to pay when due any amounts by the Mortgages Trustee to third parties and incurred by the Mortgages Trustee without breach of the Trust Deed and not provided for payment elsewhere in this paragraph 8;
- (vi) to refund any amounts due arising from the rejection of any payments in respect of a Loan and any other amounts which have not been received by the Mortgages Trustee as cleared funds; and
- (vii) to refund to the Seller any amounts which represent amounts received from Borrowers but which do not form part of the Mortgage Account Balance or comprise unpaid interest as at the Closing Date of the issue of Notes by an Issuer and which are amounts owed by such Borrowers in respect of any period prior to that Closing Date as and when identified by the Cash Manager and if a Borrower fails to pay the full amount that it owes, the Cash Manager shall be obliged to refund to the Seller only such portion of the amount which relates to any period prior to that Closing Date.

## **9. Use of Ledgers**

The Cash Manager shall forthwith record monies received or payments made by it on behalf of the Mortgages Trustee or Funding in the ledgers in the manner set out in this Agreement. If, at any time, the Cash Manager is in any doubt as to which ledger a particular amount should be credited or debited, it shall consult with the Security Trustee thereon.

Except in the case of the Principal Deficiency Ledger, a debit item shall only be made in respect of any of the Mortgages Trustee Ledgers and the Funding Ledgers and the corresponding payment or transfer (if any) may only be made from the Mortgages Trustee GIC Account, the Funding GIC Account or the Funding Transaction Account, as the case may be, to the extent that such entry does not cause the relevant ledger to have a debit balance. In the case of the Principal Deficiency Ledger and each Principal Deficiency Sub Ledger, a credit item shall only be made to the extent that such entry does not cause such ledger to have a credit balance.

## **10. Revenue Ledger**

The Cash Manager shall ensure that:

- (a) the following amounts shall be credited to the Revenue Ledger:
  - (i) all Revenue Receipts; and
  - (ii) all interest received by the Mortgages Trustee on the Mortgages Trustee GIC Account; and
- (b) any payment or provision made under paragraph 3 above shall be debited to the Revenue Ledger.

#### **11. Principal Ledger**

The Cash Manager shall ensure that:

- (a) all Principal Receipts shall be credited to the Principal Ledger; and
- (b) any payment or provision made under paragraph 4 above shall be debited to the Principal Ledger.

#### **12. Losses Ledger**

The Cash Manager shall ensure that all Losses shall be recorded in the Losses Ledger.

#### **13. Funding Share/Seller Share Ledger**

The Cash Manager shall ensure that:

- (a) the Current Funding Share, the Current Funding Share Percentage of the Trust Property, the Weighted Average Funding Share (Revenue) Percentage, the Weighted Average Funding Share (Principal) Percentage and the Weighted Average Funding Share (Losses) Percentage; and
- (b) the Current Seller Share, the Current Seller Share Percentage of the Trust Property, the Weighted Average Seller Share (Revenue) Percentage, the Weighted Average Seller Share (Principal) Percentage and the Weighted Average Seller Share (Losses) Percentage,

are recorded in the Funding Share/Seller Share Ledger on the Initial Closing Date and thereafter on each Trust Calculation Date and each Interim Trust Calculation Date in accordance with the Mortgages Trust Deed.

#### **14. Funding Revenue Ledger**

The Cash Manager shall ensure that:

- (a) the following amounts shall be credited to the Funding Revenue Ledger:
  - (i) all Funding Revenue Receipts;
  - (ii) all interest received by Funding in respect of the Funding Bank Accounts (other than interest received by Funding on any collateral paid or transferred to it under the Funding Swap Agreement);
  - (iii) all amounts received by Funding representing income on any Funding Authorised Investments made from amounts standing to the credit of the Funding GIC Account;
  - (iv) all amounts (other than collateral paid or transferred to Funding under the Funding Swap Agreement, any early termination amount received by Funding under the Funding Swap Agreement which is applied to enter into a new Funding swap agreement, if required, and any premium received from a replacement Funding Swap Provider to the extent that it is used to pay an early termination amount under the replaced Funding Swap Agreement and the cash benefit (as described

in the Funding Swap Agreement) relating to any Tax Credit (as defined in the Funding Swap Agreement) relating to any Gross-Up Amount (as defined in the Funding Swap Agreement) that the Funding Swap Provider is required to make) received by Funding under the Funding Swap Agreement; and

- (v) any amount debited to the Funding Principal Ledger under paragraph 15(b)(ii); and
- (b) any payment or provision made under paragraph 5 above shall be debited to the Funding Revenue Ledger; and
- (c) any amounts of interest accrued in respect of Non Bullet Funding Principal Amounts standing to the credit of the Santander A-2/P-2/F2 Account which cannot be withdrawn from the Santander A-2/P-2/F2 Account (including without limitation, in the event of a moratorium on insolvency, bank insolvency, administration or bank administration of Santander UK or it being unable to pay these amounts) shall be debited to the Funding Revenue Ledger.

## **15. Funding Principal Ledger**

Without prejudice to paragraph 16 below, the Cash Manager shall ensure that:

- (a) the following amounts shall be credited to the Funding Principal Ledger:
  - (i) all Funding Principal Receipts; and
  - (ii) amounts credited to the Principal Deficiency Ledger under paragraphs 7 and 16; and
- (b) the following amounts shall be debited to the Funding Principal Ledger:
  - (i) the aggregate amount of principal repaid on the Intercompany Loan Agreements pursuant to paragraph 5 above; and
  - (ii) on each Interest Payment Date, an amount equal to the Funding Income Deficit on such Interest Payment Date, provided always that Funding Principal Receipts shall not be used to pay or provide for interest on any Term Advance and/or the Funding Loan (as appropriate) if and to the extent that would result in a deficiency being recorded or an existing deficiency being increased on a Principal Deficiency Sub-Ledger relating to a higher ranking Term Advance; and
  - (iii) any Non Bullet Funding Principal Amounts which cannot be withdrawn from the Santander A-2/P-2/F2 Account (including without limitation, in the event of a moratorium on insolvency, bank insolvency, administration or bank administration of Santander UK or it being unable to pay these amounts).

## 16. Principal Deficiency Ledger

- (a) Without prejudice to paragraph 7, the Cash Manager shall ensure that there shall be debited to the Principal Deficiency Ledger:
- (i) deficiencies arising from Losses which have been allocated to the Funding Share;
  - (ii) any amount required to be debited to the Funding Principal Ledger under paragraph 15(b)(ii) above; and/or
  - (iii) (in the case of the NR Principal Deficiency Sub Ledger only) any increase in the Mortgages Trust Available Principal Receipts allocated and paid to Funding on a Distribution Date in an amount equal to the Funding Revenue Deficit Cure Amount; and/or
  - (iv) the application of Funding Available Principal Receipts which are allocated to fund the Funding Liquidity Reserve Fund up to the Funding Liquidity Reserve Fund Required Amount.
- (b) The Cash Manager shall ensure that there shall be credited to the Principal Deficiency Ledger any amount to be credited in accordance with paragraph 5 above and any amount standing to the credit of the Funding Liquidity Reserve Ledger to be applied as Funding Available Principal Receipts.
- (c) Amounts to be debited to the Principal Deficiency Ledger shall be debited in the following order:
- (i) *first*, to the Principal Deficiency Sub Ledger corresponding to the Term Advance with the lowest ranking Term Advance Rating and the Funding Loan Principal Deficiency Sub Ledger (as the case may be) until the debit balance thereon is equal to the then principal amount outstanding of the corresponding Term Advance(s) or the Funding Loan (as the case may be);
  - (ii) *secondly*, to the Principal Deficiency Sub Ledger corresponding to the Term Advance with the next lowest Term Advance Rating until the debit balance thereon is equal to the then principal amount outstanding of corresponding Term Advance(s); and
  - (iii) *thirdly*, to the Principal Deficiency Sub Ledger corresponding to the Term Advance with the next lowest Term Advance Rating,

and so on (x) until amounts are debited to the AAA Principal Deficiency Sub Ledger, at which point there will be an Asset Trigger Event unless such debit is made when the sum of the amounts standing to the credit of the First Reserve Fund, the Funding Liquidity Reserve Fund (if any) and the Funding Revenue Ledger together with amounts determined and due to be credited to the Funding Revenue Ledger prior to the Interest Payment Date immediately following the date on which such debit is made, is greater than the amount necessary to pay items (a) to (f) of the Funding Pre-Enforcement Revenue Priority of Payments on the immediately following Interest Payment Date after such debit is made and (y) provided that amounts will be debited to the Funding Loan Principal Deficiency Sub Ledger *pro rata* and *pari passu* with amounts debited to the NR Principal Deficiency Sub Ledger.

- (d) Amounts to be credited to the Principal Deficiency Ledger shall be credited in the following order:
- (i) *first*, to the Principal Deficiency Sub Ledger corresponding to the Term Advance with the highest ranking Term Advance Rating until the debit balance thereon is reduced to zero;
  - (ii) *secondly*, to the Principal Deficiency Sub Ledger corresponding to the Term Advance with the next highest ranking Term Advance Rating until the debit balance thereon is reduced to zero; and
  - (iii) *thirdly*, to the Principal Deficiency Sub Ledger corresponding to the Term Advance with the next highest ranking Term Advance Rating and to the Funding Loan Principal Deficiency Sub Ledger (as the case may be) until the debit balance thereon is reduced to zero,

and so on (x) until the balance of the Principal Deficiency Ledger is zero and (y) provided that amounts will be credited to the Funding Loan Principal Deficiency Sub Ledger *pro rata* and *pari passu* with amounts credited to the NR Principal Deficiency Sub Ledger.

#### **17. Reserve Ledger**

- (a) On each Interest Payment Date, the Cash Manager shall determine the First Reserve Fund Required Amount and the First Reserve Fund Additional Required Amount.
- (b) A First Reserve Tranche (if any) drawn down on a relevant Closing Date by Funding pursuant to a Start-Up Loan Agreement or otherwise an amount withdrawn from the Funding Reserve Fund if so agreed by Funding, the Seller and the Security Trustee will be credited to the First Reserve Ledger.

**First Reserve Tranche** for the purposes of this paragraph shall mean a tranche drawn under a Start-Up Loan Agreement to be applied to the credit of the First Reserve Ledger.

- (c) Amounts shall be credited to the First Reserve Ledger and the Funding Reserve Ledger in accordance with the Funding Priority of Payments.
- (d) On each Interest Payment Date following a Funding Liquidity Reserve Fund Relevant Event, the Cash Manager shall determine the Funding Liquidity Reserve Required Amount which shall apply for the period from and including that Interest Payment Date to but excluding the next following Interest Payment Date.
- (e) [Reserved.]
- (f) Amounts shall be debited to the First Reserve Ledger, the Funding Reserve Ledger and the Funding Liquidity Reserve Ledger on each Interest Payment Date in order to be applied in accordance with the order of priority of payments set out in Schedule 3 to the Funding Deed of Charge.

**18. Intercompany Loan Ledger**

The Cash Manager shall ensure that all payments of interest and repayments of principal on each of the Term Advances are recorded in the Intercompany Loan Ledger.

**19. Cash Accumulation Ledger**

The Cash Manager shall ensure that all Funding Principal Receipts reserved by Funding to be set aside to pay the relevant Bullet Term Advances and/or, as applicable, the relevant Scheduled Amortisation Term Advances are recorded on the Cash Accumulation Ledger.

**20. Eligible Bank Ledger**

The Cash Manager shall establish and maintain the Eligible Bank Ledger to record amounts deposited by Account Bank A with Eligible Banks pursuant to instructions from the Cash Manager.

**21. Extraordinary Payment Holiday Start-up Loan Ledger**

The Cash Manager shall establish and maintain the Extraordinary Payment Holiday Start-up Loan Ledger to record each advance under, and all payments of interest and repayments of principal in respect of, the Extraordinary Payment Holiday Start-up Loan.

### SCHEDULE 3

#### FORM OF MORTGAGES TRUSTEE QUARTERLY REPORT

**Holmes Trustees Ltd**  
**Profit & Loss Account**

**Period Ended**

	This Quarter £	Prior Quarter £
Interest Receivable – Mortgages	0	0
Interest Payable – Mortgages	0	0
Net Operating Income	0	0
Fees Receivable		
Fees Payable		
Operating Expenses		
Profit/loss on ordinary activities before tax	0	0
Taxation		
Profit/loss on ordinary activities after tax	0	0
Dividend	0	0
Retained profit brought forward	0	0
Retained profit for the year	0	0



**Holmes Trustees Ltd**  
**Balance Sheet**

**Period Ended**

	£	£
<b>Fixed Asset Investments</b>		
<b>Current Assets</b>	0	
New Loans	0	
Interest Receivable	0	
Other debtors	0	
Cash at Bank	0	
<b>Creditors: Amounts falling due within one year</b>		
Accruals	0	
Interest Payable Accrual	0	
Taxation	0	
	0	
Net current assets		0
Total Assets less current liabilities		0
Share Capital		0
Reserves		0
Diff		0

## SCHEDULE 4

### FORM OF FUNDING QUARTERLY REPORT

**Holmes Funding Limited**  
**Profit & Loss Account**

**Period Ended**

	This Quarter £	Prior Quarter £
Interest Receivable – Mortgages		
Interest Receivable – Cash Deposits		
	0	0
Interest Payable – Intercompany Loan		
Interest Payable		
	0	0
Net Operating Income	0	0
Other Income		
Insurance Commission		
Operating Expenses		
Deferred Consideration		
	0	0
Profit/loss on ordinary activities before tax		
Taxation		
	0	0
Profit/loss on ordinary activities after tax		
Dividend	0	0
Retained profit brought forward	0	0
Operating Expenses	0	0

**Holmes Funding Limited**  
**Notes to Balance Sheet**

**Period ended [●]**

	£'000	£'000	£'000	£'000
Balance on cash accumulation ledger				

### Available credit enhancement

	First Reserve	Second Reserve	Funding Reserve
Reserve funds at closing	<u>0</u>	<u>0</u>	<u>0</u>
Initial closing reserve funds	0	0	0
Drawings to make bullet repayment	0	0	<u>0</u>
Other drawings	0	0	0
Transfers from revenue receipts	<u>0</u>	<u>0</u>	<u>0</u>
Closing reserve balance	<u>0</u>	<u>0</u>	<u>0</u>
Target reserve funds	<u>0</u>	<u>0</u>	<u>0</u>

<b>Principal deficiency ledger</b>	AAA	AA	A	BBB	NR	Funding Loan
Opening PDL balance	Nil	Nil	Nil	Nil	Nil	Nil
Losses this quarter	-	-	-	-	-	-
PDL top up from revenue income	-	-	-	-	-	-
Closing PDL balance	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

<b>Start up Loan outstanding</b>	<b>Opening balance</b>	<b>Repaymen t</b>	<b>Closing balance</b>
	Restated		
[●] Start-up Loan Extraordinary Payment Holiday Start-up Loan			
Closing balance	<u>0</u>	<u>0</u>	<u>0</u>

## SCHEDULE 5

### PANEL BANK GUIDELINES

These Panel Bank Guidelines may be modified from time to time by the Cash Manager provided that (i) any modifications to the Panel Bank Guidelines are notified in advance to the Rating Agencies, Account Bank A and the Security Trustee, (ii) the Rating Agencies have confirmed in writing that the then current ratings of the Rated Notes would not be adversely affected by such modification and (iii) such modification does not have any adverse effect on the security in respect of the Notes:

- (A) A part or all amounts standing to the credit of the Funding Transaction Account may be deposited with Eligible Banks upon instructions of the Cash Manager to Account Bank A, subject to the further guidelines set out below;
- (B) In order to qualify as an “Eligible Bank” for the purpose of receiving any deposits from the Funding Transaction Account pursuant to instructions from the Cash Manager to Account Bank A, a bank is required (i) to be an authorised financial institution under FSMA whose (1) short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's and its long-term unsubordinated unguaranteed and unsecured debt obligations are rated at least A2 by Moody's, (2) unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term by S&P and (3) short-term and long-term “Issuer Default Ratings” are at least F1 and A (respectively), by Fitch and, in each case, such rating is not subject to any reduction, qualification or withdrawal, (ii) not to trigger any of the termination events applicable to Account Bank A under clauses 8.1(c) to 8.1(f) (each inclusive) of the Bank Account Agreement and (iii) to enter into an Eligible Bank Account Agreement with The Bank of New York Mellon, London Branch;
- (C) Notwithstanding any other paragraph of these Guidelines, amounts deposited with any Eligible Bank may only be deposited with each such Eligible Bank for a maximum period maturing on or before the Interest Payment Date immediately following the date of the proposed deposit. All monies deposited with an Eligible Bank need to be returned to the Funding Transaction Account at the latest by 10 a.m. (London time) on the Interest Payment Date immediately following the date of the proposed deposit;
- (D) The following table sets out the rules for the purpose of determining the amount and period of the deposit which may be placed with an Eligible Bank, dependant on the credit ratings assigned to such Eligible Bank:

Ratings of Eligible Bank	Deposit Period		
	<= 30 days	<= 60 days	<= 90 days
<b>Fitch:</b> Equal to or above F1+ and AA-  <b>S&amp;P:</b> Equal to or above A-1+ and AA	Eligible	Eligible	Eligible

<b>Moody's:</b> Equal to or above P-1 and A2			
<b>Fitch:</b> Below F1+ and AA- but equal to or above F1 and A	Eligible	Not Eligible for Deposits $\geq 1/3$  Eligible for Deposits $< 1/3$ subject to conditions (1) to (4) below *	Not Eligible for Deposits $\geq 1/3$  Eligible for Deposits $< 1/3$ subject to conditions (1) to (4) below*
<b>S&amp;P:</b> Below A-1+ and AA but equal to or above A-1 and A	Eligible	Eligible	Not Eligible for Deposits $\geq 1/3$  Eligible for Deposits $< 1/3$ subject to conditions (1) to (4) below*

- \* For this purpose, the size of the deposit (namely, equal to, higher than or less than one third (1/3) is determined by measuring (i) the amounts deposited with, or intended to be deposited with, during the relevant deposit period, with an Eligible Bank and each of its affiliates (if applicable, in the event that such affiliates are also Eligible Banks for the purpose of these Guidelines), taken together; against (ii) the total of all amounts deposited with all Eligible Banks during that same deposit period.

Deposits intended to be placed with an Eligible Bank and each of its affiliates (if applicable, in the event that such affiliates are also Eligible Banks for the purpose of these Guidelines), taken together, in an amount of *less than one third (1/3)* of all amounts deposited with Eligible Banks (in the instances marked in the table above) are subject to the following conditions:

- (1) apart from the intended investment of less than 1/3 with the relevant Eligible Bank pursuant to the table above, there must be sufficient cash in the Funding Transaction Account and/or the Funding GIC Account and/or invested with other Eligible Banks in accordance with the these Guidelines, in order to pay all amounts due and payable by Funding on the Interest Payment Date immediately following the date of deposit other than amounts due and payable in respect of Term NR Advances (as certified by the Cash Manager); and
- (2) the period in which such amounts are deposited with that one Eligible Bank does not fall within a Cash Accumulation Period with regard to a Bullet Amount due in respect of a Bullet Term Advance; and
- (3) there must be at least four Eligible Banks which have informed the Cash Manager and/or Account Bank A of their interest in quoting on deposits to be made in accordance with these Guidelines; and
- (4) the aggregate amount deposited with Eligible Banks designated as "Eligible for Deposits  $< 1/3$  subject to conditions" in accordance with the table in this paragraph (D) shall not exceed 5% of all Term Advances (other than Term NR Advances) advanced as at the beginning of the deposit period;

- (E) Notwithstanding paragraph (D) above, the requirement to deposit monies with an Eligible Bank for a certain period of time will not prevent such monies being reinvested with the same Eligible Bank for any succeeding deposit period;
- (F) All deposits under these Guidelines are required to be in pounds sterling (GBP) and deposited within the United Kingdom; and
- (H) Notwithstanding any of the above, Non Bullet Funding Principal Amounts may be deposited (up to 50% of all Non Bullet Funding Principal Amounts accumulated with respect to an Interest Period) with Santander UK only as an Eligible Bank for this purpose in the Santander A-2/P-2/F2 Account for a period of not more than 15 days, provided that:
  - (1) the aggregate amount of Non Bullet Funding Principal Amounts deposited on the Santander A-2/P-2/F2 Account shall not be greater than the outstanding amount of the Funding Loan; and
  - (2) to the extent that monies standing to the credit of the First Reserve Fund have been applied in accordance with the Funding Priorities of Payments, the First Reserve Fund has been replenished by a corresponding amount or, if lower, by an amount equal to the First Reserve Fund Required Amount; and
  - (3) each Note has been redeemed on or prior to its Step-up Date; and
  - (4) a Non Asset Trigger Event has not occurred; and
  - (5) principal amounts due and payable in respect of Class Z Notes have been paid in full; and
  - (6) on any Interest Payment Date, there has not been a debit to the NR Principal Deficiency Sub Ledger which has not been cured on such Interest Payment Date.

**SCHEDULE 6**  
**FORM OF ELIGIBLE BANK ACCOUNT AGREEMENT**  
**DATED [●]**

THE BANK OF NEW YORK MELLON  
as **Agent**  
  
and  
  
[name]  
as **Third Party Deposit Provider**

**Third Party Master Deposit Agreement**

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**THIS AGREEMENT** is made on [●]

**BETWEEN**

- (1) The Bank of New York Mellon, a New York banking corporation acting through its London Branch at 160 Queen Victoria Street, London, EC4V 4LA in its capacity as agent for and on behalf of its customers (the “**Agent**”); and
- (2) [xxx], a company incorporated in [xxx] with [xxx] acting through its [branch] [office] at [xxxxxx] (the “**Third Party Deposit Provider**”)

**WHEREAS:**

- (a) Pursuant to Third Party Deposit Placement Services Terms and Conditions between a customer of the Agent (each a “**Customer**”) and the Agent, the Agent may place cash deposits from time to time (for and on behalf of the relevant Customer) with the Third Party Deposit Provider (as selected by that Customer).
- (b) Pursuant to this Agreement, the Third Party Deposit Provider and the Agent have developed a deposit structure for the customers of the Agent pursuant to which cash deposits can be placed for several tenors, taking into consideration the desire of each customer for flexibility and subject to competitive rates.
- (c) The Agent may place deposits with the Third Party Deposit Provider in Euro, Pound Sterling, US Dollars or any other currency that may be agreed by the Agent and the Third Party Deposit Provider from time to time.
- (d) Responsibility for the selection of third party deposit provider and any amounts that may be subsequently deposited with the Third Party Deposit Provider lies solely with the relevant Customer.
- (e) The Agent will undertake due diligence in relation to each Customer as regards Anti-Money Laundering checks and Know Your Customer identification.
- (f) The Third Party Deposit Provider, upon acceptance of a time deposit made by the Agent (in the name of the Agent for and on behalf of the specific Customer), agrees to make payments of principal and interest thereof in accordance with the terms and conditions of this Agreement and the relevant Confirmation (as defined below).
- (g) Pursuant to the terms of this Agreement, the Agent can place one or more time deposits over several tenors, as requested by the relevant Customer.

**IT IS AGREED** as follows:

**1 THE DEPOSIT**

- 1.1 Time deposits may be made by the Agent on behalf of its Customers (the “**Deposits**”) to the Third Party Deposit Provider on any day on which banks are open for business in the city of London, in the jurisdiction of the Third Party Deposit Provider and in the financial centre of the currency of the relevant Deposit (a “**Business Day**”). For each time deposit placed with the Third Party Deposit Provider, there shall be one or more documents (electronic or otherwise) which confirm the specific terms of a Deposit (which shall contain no less detail than the form of confirmation set out in Schedule 1 or such other form as the parties may

agree from time to time) (the “**Confirmation**”) to be placed by the Agent (in the name and on behalf of the relevant Customer). The decision to accept any Deposit shall be at the sole discretion of the Third Party Deposit Provider.

- 1.2 The term of each Deposit will be as specified in the relevant Confirmation. Such Confirmation will be sent to the Agent on the Business Day on which the trade is agreed
- 1.3 The Third Party Deposit Provider hereby agrees that it shall credit any Deposit received from the Agent (on behalf of the relevant Customer) in accordance with the terms and conditions set out in the relevant Confirmation for that Customer.
- 1.4 The Third Party Deposit Provider hereby agrees and acknowledges that the Agent (acting in the name and on behalf of the relevant Customer) will have the exclusive capacity to provide instructions regarding each Deposit on behalf of each Customer. The Agent agrees and confirms that the Third Party Deposit Provider may, and the Third Party Deposit Provider agrees and confirms that it will, unless otherwise notified by the Agent or the Customer (in the event that the appointment of the Agent has been terminated), act in accordance with instructions given by the Agent on behalf of the Customer in the administration and operation of the Deposit under this Agreement, such instructions to be given by personnel of the Agent notified to the Third Party Deposit Provider by the Agent in writing from time to time as being authorised so to act. Further, the Agent acknowledges that the Customer has acknowledged and agreed that it shall hold the Third Party Deposit Provider harmless from any and all actions, proceedings, claims, liabilities, losses or damages incurred by the Customer or any third party for acting upon the Agent’s instructions and shall not be entitled to proceed directly or indirectly against the Third Party Deposit Provider for acting upon the Agent’s instructions. In the event of a conflict between the instructions given to the Third Party Deposit Provider by the Agent and the instructions given to the Third Party Deposit Provider by the Customer (in the event that the appointment of the Agent has been terminated), instructions of the Customer shall prevail and the Agent will have no liability for any losses as a result of such instructions from the Customer.
- 1.5 Unless otherwise agreed by the Agent, and provided that the Third Party Deposit Provider, acting reasonably, is satisfied that the acceptance of a Deposit will not contravene any applicable law or regulation (and, in which event, it will promptly notify the Agent of its position and the reasons why), all Deposits placed by the Agent in accordance with Clause 1.1 will be accepted by the Third Party Deposit Provider for value on the date received in cleared funds, provided that the terms of such Deposit are agreed with the Third Party Deposit Provider by their applicable currency cut-off time on such date. If such Deposits are not received or terms not agreed by such applicable cut-off times, such Deposits shall be for value on the next Business Day following receipt in cleared funds. Third Party Deposit Provider cut-off times are as follows GB Pounds Sterling 2:30 pm London time, EURO 2:30 pm London time, US Dollars 4:00 pm London time, as the same may be amended from time to time by written notice from the Third Party Deposit Provider to the Agent.
- 1.6 The Agent represents and warrants that it is acting (i) for and on behalf of each Customer pursuant to all relevant authorizations of each Customer and (ii) in compliance with the terms of its appointment and with all laws applicable to it.
- 1.7 The Third Party Deposit Provider hereby agrees that it shall not communicate directly with any Customer introduced as a result of this agreement and that all communication in relation to the Deposits or otherwise shall in the first instance be directed to the Agent. Further, the Third Party Deposit Provider agrees that whilst this agreement remains in effect and for a period of twelve months following the date on which this Agreement is

terminated, it will undertake no marketing of any deposit-taking, investment and/or custody products and services from their Wholesale Markets, London office to any Customers introduced as a result of this Agreement.

## **2 INTEREST**

- 2.1 Interest shall accrue on each Deposit in accordance with the terms set out in the relevant Confirmation.
- 2.2 Interest will be calculated on the basis of the actual number of days elapsed and a year of 360 days in respect of Deposits made in Euro and US Dollars. Interest will be calculated on the basis of the actual number of days elapsed and a year of 365 days in respect of Deposits made in Pound Sterling. Interest calculations in respect of Deposits in other currencies shall follow market convention for the relevant currency and be specified in the relevant Confirmation.
- 2.3 Save for Clause 5, payments of accrued interest will be made to the account held by the Customer with the Agent (or a branch or subsidiary of the Agent from which the Deposit was originally paid) as notified from time to time to the Third Party Deposit Provider by the Agent.
- 2.4 The Third Party Deposit Provider shall pay interest on the Deposits from time to time in accordance with the relevant Confirmation in arrear on the maturity date specified in such Confirmation.

## **3 DEPOSIT BREAKS**

Subject to the cut-off times set out in Clause 1.5, the Agent (acting for and on behalf of the Customer) may, on any Business day, request a deposit break subject to break costs to be specified by the Third Party Deposit Provider. Any such request given by the Agent shall specify the amounts to be withdrawn and the Third Party Deposit Provider shall comply with such request promptly.

## **4 FEES**

- 4.1 Save as explicitly set out in Clause 3 or as otherwise agreed to between the parties, The Third Party Deposit Provider hereby agrees that it will not levy any transaction fees and charges in connection with the relevant Deposit.

## **5 REPAYMENT**

- 5.1 The Third Party Deposit Provider will repay the deposit on the maturity date specified in the Confirmation (not being an interest bearing day), to the account held by the Customer with the Agent (or with a branch or subsidiary of the Agent), from which the Deposit originally was paid, in the same currency as the deposit is made in. Any value date losses will be borne by the Customer.
- 5.2 Unless this Agreement has been terminated by the Agent in accordance with the terms of this Agreement and the relevant Confirmation, any Deposit upon maturity, in accordance with the relevant Confirmation, may:
  - (a) be rolled over (in combination with any additional cash deposit, if so desired) for a new tenor in accordance with the terms of a new Confirmation;
  - (b) be partially repaid or partially rolled over; or

(c) be fully repaid.

5.3 In order for the options in Clause 5.2 to be considered by the relevant Customer, the Third Party Deposit Provider shall provide the Agent with an indicative rate quotation for the subsequent tenor by the second business day prior to the maturity of that tenor, and at such other times as requested by the Agent.

5.4 If the Third Party Deposit Provider has not received instructions to roll over the Deposit in whole or in part pursuant to such quotations provided by the Third Party Deposit Provider in accordance with Clause 5.3 on or before [xx] hours London Time on the day prior to the maturity date of the relevant Deposit, then the quotations shall have been deemed to have not been accepted and the relevant Deposit shall be repaid by the Third Party Deposit Provider to the Agent (or a branch or subsidiary of the Agent from which the relevant Deposit was originally paid) in accordance with Clause 5.1.

## 6 **WITHHOLDING**

6.1 All amounts payable by the Third Party Deposit Provider under this Agreement shall be paid in full without any deduction or withholding whatsoever (whether in respect of set off, counterclaim, duties, Taxes or otherwise), save as required by law or regulation, and the Third Party Deposit Provider may not transfer, combine or withhold payment of any amounts due to the Agent (on behalf of the relevant Customer) under this Agreement in or towards or conditionally upon satisfaction of any liabilities to it of the Agent (on behalf of the relevant Customer) or any other person.

6.2 The Third Party Deposit Provider (a) represents that it is a person who can receive payments free from FATCA Withholding (as defined below), (b) undertakes to use reasonable endeavours to ensure that it remains a person which can receive payments free from FATCA Withholding, (c) shall immediately notify the Agent if it can no longer receive payments free from FATCA Withholding and (d) will cooperate with the Agent to arrange an orderly transfer of outstanding Deposits if so instructed by an authorised person of the Customer. Until such time as the Agent has been notified pursuant to this Agreement to the contrary, the Agent shall be entitled to assume that the Third Party Deposit Provider is a person who can receive payments free from FATCA Withholding.

6.3 For the purposes of this Clause 6:

"**Code**" means the U.S. Internal Revenue Code of 1986; and

"**FATCA Withholding**" means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

## 7 **TERM AND TERMINATION**

7.1 This Agreement may be terminated at any time by 60 days notice from either party to this Agreement, except that the terms of this Agreement shall remain in full force and effect whilst any Deposits remain outstanding.

7.2 The Agent may at any time by written notice to the Third Party Deposit Provider, immediately terminate this Agreement if any of the following events shall occur:

- (a) the Third Party Deposit Provider is in breach of any of the representations and warranties set out in Clause 8; or
- (b) any event occurs which will or would, in the reasonable opinion of the Agent, cause the Third Party Deposit Provider to be required to withhold or deduct at source for or on account of Taxation in respect of interest payable under this Agreement; or
- (c) the Third Party Deposit Provider ceases or threatens to cease to carry on business or is unable to pay its debts when due; or
- (d) an order is made or an effective resolution is passed (otherwise than for the purposes of or pursuant to a reconstruction or amalgamation) for the winding up of the Third Party Deposit Provider or an order is made for the appointment of an administrator or receiver to the Third Party Deposit Provider or any analogous event occurs or any analogous action is taken under any law by which the Third Party Deposit Provider or any of its assets is bound or affected; or
- (e) the Third Party Deposit Provider fails to perform any of its obligations under this Agreement and such failure remains unremedied at the expiry of the third Business Day specified in the notice served pursuant to this Clause 7.2, provided that the notice shall have specified the failure in question and the action required to remedy it.

For the avoidance of doubt, the termination of this Agreement pursuant to this Clause 7.2 shall not terminate any outstanding Deposit and the terms of this Agreement shall remain in full force and effect in respect of each such Deposit until the maturity date of each such Deposit.

- 7.3 Any termination of this Agreement shall be without prejudice to the accrued rights of each of the parties hereto in respect of any antecedent breach by any of the other parties hereto of any of the provisions of this Agreement.

## 8 REPRESENTATIONS AND WARRANTIES

- 8.1 The Third Party Deposit Provider represents and warrants to the Agent at the date hereof and on each date on which a Deposit is made pursuant to Clause 1 (The Deposit) as follows:

- (a) **Status:** the Third Party Deposit Provider is duly incorporated and existing under the laws of England and is the holder of a banking licence issued under the laws of England;
- (b) **Powers and authorisations:** the memorandum and articles of association of the Third Party Deposit Provider include provisions which give power, and all necessary corporate authority has been obtained and action taken, for the Third Party Deposit Provider to sign and deliver, and perform the transactions contemplated in, this Agreement and the agreements entered into in connection herewith and this Agreement and the agreements entered into in connection herewith constitute valid, legal and binding obligations of the Third Party Deposit Provider and are enforceable in accordance with their terms;
- (c) **Non violation:** neither the signing and delivery of this Agreement nor the performance of any of the transactions contemplated in it does or will contravene or constitute a default under, or cause to be exceeded any limitation on the Third Party Deposit Provider or the powers of its directors imposed by or contained in, (i)

any law by which it or any of its assets are bound or affected, (ii) the constitutional documents which establish and regulate it or (iii) any agreement to which it is a party or by which any of its assets are bound;

- (d) **Licences and consents:** the Third Party Deposit Provider has obtained all consents and licences and filed any registrations required to be obtained or filed in order to enable it to lawfully enter into this Agreement on the date hereof and to enable it to lawfully exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Agreement and to ensure that the obligations expressed to be assumed by it on the date hereof are legal, valid, binding and enforceable.

- 8.2 The Third Party Deposit Provider undertakes to notify the Agent immediately if, at any time during the term of this Agreement, any of the statements contained in Clause 8.1 ceases to be true.

## 9 SECURED ACCOUNT AND SET-OFF

- 9.1 The Third Party Deposit Provider hereby acknowledges that, each relevant Customer may have granted security over all sums of money which may from time to time be standing to the credit of a Deposit together with all interest accruing from time to time. The Third Party Deposit Provider hereby undertakes and agrees to provide explicit acknowledgement of such security granted for the benefit of any third party, but without accepting any liability for the validity of the security granted by the Customer, if required.

- 9.2 The Third Party Deposit Provider hereby undertakes with the Agent, for the benefit of each relevant Customer, not to exercise or claim any right of set off, lien or combination or consolidation of accounts in respect of a Deposit account and/or the Deposits and/or any interest accruing thereon or any part of any thereof.

- 9.3 In the event that the Third Party Deposit Provider (in breach of its undertaking contained in Clause 9.2) exercises or claims any right of set off, lien or combination or consolidation of accounts, the Third Party Deposit Provider shall forthwith pay to the Agent (or a branch or subsidiary or the Agent from which the Deposit was originally paid) such additional amount so that the net amount received by the Agent (or a branch or subsidiary or the Agent from which the Deposit was originally paid) in relation to the relevant Deposit will equal the full amount which would have been received by it if the Third Party Deposit Provider had not exercised or claimed any such right of set off, lien or combination or consolidation of accounts.

## 10 ASSIGNMENT

- 10.1 Subject to Clause 9.1 the Third Party Deposit Provider may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Agent, nor may the Third Party Deposit Provider act through any branch other than a branch in England, without the prior written consent (not to be unreasonably withheld) of the Agent.

- 10.2 The Agent agrees and confirms that the Third Party Deposit Provider may, and the Third Party Deposit Provider agrees and confirms that it will, unless otherwise notified by the Agent, act in accordance with instructions given by the Agent on behalf of the Customer in the administration and operation of the Deposit under this Agreement, such instructions to be given by personnel notified to the Third Party Deposit Provider in writing from time to time as being authorised so to act.

11        **ANTI-MONEY LAUNDERING AND KYC CUSTOMER IDENTIFICATION**

11.1        The Third Party Depositor acknowledges that the Agent will undertake due diligence in relation to each Customer as regards Anti-Money Laundering (“**AML**”) checks and Know Your Customer (“**KYC**”) identification.

11.2        The Agent shall take appropriate steps, in compliance with applicable AML, anti-terrorism and KYC laws and regulations, to establish and document the identity of each Customer prior to initial investment in any deposit by such Customer. The Agent shall retain the Customer identification records for at least the minimum period required under applicable laws and regulations, and shall, if so requested, in compliance with applicable data protection laws, make such records available to the Third Party Deposit Provider and to the appropriate authorities with jurisdiction over the Third Party Deposit Provider in order to enable it to comply with applicable AML, anti-terrorism or KYC laws or regulations applying to it.

11.3        The Third Party Deposit Provider agrees and confirms that, it will rely on the AML checks and KYC identification executed by the Agent in relation to each specific Customer for the purposes of carrying out its obligations under this Agreement and the relevant Confirmation and will maintain the faculty, but not the duty, to carry out any verification on such check that the Third Party Deposit Provider may deem appropriate in this respect, in compliance with applicable data protection laws. The Agent agrees and confirms that it will provide the Third Party Deposit Provider, no later than 5 Business Days before placing of a Deposit, with a fully completed form verifying the identity of the relevant Customer (the “**Confirmation of Verification of Identity Form**”) (substantially in the form set out in Schedule 2).

12        **LIMITED RECOURSE**

The Third Party Deposit Provider hereby agrees that its rights pursuant hereto are limited to the extent of the Deposits in relation to each relevant Customer and that it will not take any action or proceedings against the Agent (unless acting in bad faith or is negligent) or any Customer to recover any such amounts.

13        **CONFIDENTIAL INFORMATION**

The Third Party Deposit Provider hereby acknowledges and undertakes to the Agent that except and to the extent otherwise provided or permitted in this Agreement it will (subject to Clause 14 (Permitted Disclosure)):

- (a)        treat any and all information provided by the Agent in relation to the Customer pursuant to Clause 11 (the “**Confidential Information**”) as confidential and not to disclose it to anyone except as provided by Clause 13 and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to their own confidential information;
- (b)        to use the Confidential Information only in connection with this Agreement; and
- (c)        to use all reasonable endeavours to ensure that any person to whom it passes any Confidential Information acknowledges and complies with the provisions of this Agreement as if that person were also a party to it.

14      **PERMITTED DISCLOSURES**

14.1      The Agent agrees that Confidential Information may be disclosed by the Third Party Deposit Provider:

- (a)      to the Third Party Deposit Provider's employees, professional advisors and auditors as it shall consider appropriate provided that any person to whom such Confidential Information is to be given pursuant to this Clause 14(a) shall be informed in writing of its confidential nature and such person shall maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to such Confidential Information; or
- (b)      to any person:
  - (i)      where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory board; or
  - (ii)     where required by the laws or regulations of any country with jurisdiction over the Third Party Deposit Provider in order to enable it to comply with applicable AML, anti-terrorism or KYC laws or regulations applying to it,

provided that, to the extent that it is permitted to do so, the Third Party Deposit Provider shall notify the Agent as soon as reasonably practicable upon becoming aware of any such requirement.

15      **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and interpreted in accordance with English law.

16      **JURISDICTION**

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement. The Parties agree that the courts of England are the most appropriate and convenient courts to settle any dispute arising out of or in connection with this Agreement and accordingly no party will argue to the contrary.

**This Agreement has been entered into on the date stated at the beginning of this Agreement.**



**Schedule 1**  
**Confirmation**

To  
Corporate Trust Treasury Desk,  
The Bank of New York Mellon  
London Branch  
160 Queen Victoria Street  
London  
EC4V 4LA

Acting as agent for:

[name client]  
[address]

We confirm the deposit by yourselves (as agent for and on behalf of the customer) with us.

Deal date  
Value date  
Maturity date

Principal amount	interest rate	interest	total
------------------	---------------	----------	-------

:

## Schedule 2

### Confirmation of Verification of Identity Form

*[To be filled in by the Agent when introducing a Customer under the Deposit Program to the Third Party Deposit Provider]*

#### KYC Information

Details of Customer

Legal name of customer:	
Trade Name:	
Country of primary business activity	
Registered office:	
Company Registration Number:	
Date of Incorporation:	
Country of Registration:	
TIN (Tax Identification Number):	
Primary Business Activity:	
Date when relationship with BNYM began:	

Signed:

**The Bank of New York Mellon**

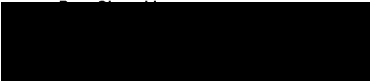
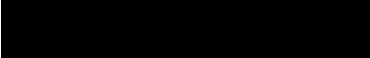
**EXECUTION PAGE**

Signed by: )  
THE BANK OF NEW YORK MELLON )  
acting by: )  
(as **Agent**) )

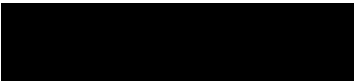
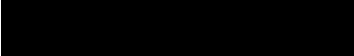
Signed by: )  
for and on behalf of )  
the **Third Party Deposit Provider** )

SIGNATORIES

Signed )  
for and on behalf of )  
**SANTANDER UK PLC** )  
as Cash Manager )

By:   
Name: 

Signed )  
for and on behalf of )  
**SANTANDER UK PLC** )  
as Seller )

By:   
Name: 

Signed )  
for and on behalf of )  
**HOLMES TRUSTEES LIMITED** )  
  
acting by one director )

Director: )  
*Per pro Wilmington Trust SP Services (London) Limited* )  
in the presence of:

Witness:  
Name:  
Address:

Signed )  
for and on behalf of )  
**HOLMES FUNDING LIMITED** )  
  
acting by one director )

Director: )  
*Per pro Wilmington Trust SP Services (London) Limited* )  
in the presence of:

Witness:  
Name:  
Address:

SIGNATORIES

Signed )  
for and on behalf of )  
**SANTANDER UK PLC** )  
as Cash Manager )

By:

Name:

Signed )  
for and on behalf of )  
**SANTANDER UK PLC** )  
as Seller )

By:

Name:

Signed )  
for and on behalf of )  
**HOLMES TRUSTEES LIMITED** )  
acting by one director )

Director: )  
*Per pro Wilmington Trust SP Services (London) Limited* )  
in the presence of: )

Witness: )  
Name: )  
Address: )

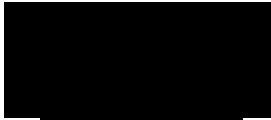
Signed )  
for and on behalf of )  
**HOLMES FUNDING LIMITED** )  
acting by one director )

Director: )  
*Per pro Wilmington Trust SP Services (London) Limited* )  
in the presence of: )

Witness: )  
Name: )  
Address: )

Signed for and on behalf of )  
**THE BANK OF NEW YORK MELLON** )

By:



Name:

