

EXECUTION VERSION

# **THIRTEENTH AMENDED AND RESTATED MASTER DEFINITIONS AND CONSTRUCTION SCHEDULE**

**DATED 28 NOVEMBER 2006 AND AMENDED AND RESTATED ON 1 AUGUST 2007 AND 20  
DECEMBER 2007, AMENDED ON 23 NOVEMBER 2009 AND AMENDED AND RESTATED ON  
11 MARCH 2010, 21 APRIL 2011, 6 DECEMBER 2011, 27 APRIL 2012, 19 AUGUST 2013, 9  
OCTOBER 2014, 29 APRIL 2016, 13 SEPTEMBER 2019, 25 SEPTEMBER 2019,  
30 APRIL 2020 AND 29 July 2021**

**SANTANDER UK PLC**

**FOSSE FUNDING (NO. 1) LIMITED**

**FOSSE TRUSTEE (UK) LIMITED**

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

**FOSSE MASTER ISSUER PLC**

**FOSSE (MASTER ISSUER) HOLDINGS LIMITED**

**INTERTRUST MANAGEMENT LIMITED**

**INTERTRUST CORPORATE SERVICES LIMITED**

**CITIBANK, N.A., LONDON BRANCH**

**CITIBANK, N.A.**

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**THIS THIRTEENTH AMENDED AND RESTATED MASTER DEFINITIONS AND CONSTRUCTION SCHEDULE** (this **Master Definitions and Construction Schedule**) is made on 29 July 2021

**BETWEEN:**

- (1) **SANTANDER UK PLC** (registered number 2294747), 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 capacities as **Seller, Cash Manager, Issuer Cash Manager, Servicer, Funding 1 Start-Up Loan Provider, Extraordinary Payment Holiday Start-Up Loan Provider, Funding 1 Swap Provider, Mortgages Trustee Account Bank, Account Bank B, Issuer Account Bank** and a **Beneficiary**);
- (2) **FOSSE FUNDING (NO. 1) LIMITED** (registered number 5925696), a private limited company incorporated under the laws of England and Wales whose registered office is at c/o Intertrust Management Limited, 1 Bartholomew Lane, London, EC2N 2AX (in its capacity as **Funding 1** and a **Beneficiary**);
- (3) **FOSSE TRUSTEE (UK) LIMITED** (registered number 07210492) 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 (in its capacity as **Mortgages Trustee**);
- (4) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH** a New York banking corporation, whose address is at One Canada Square, London E14 5AL (in its capacities as **Funding 1 Security Trustee, Issuer Security Trustee** and **Note Trustee**);
- (5) **FOSSE MASTER ISSUER PLC** (registered number 5925693), a public limited company incorporated under the laws of England and Wales whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX (in its capacity as **Issuer**);
- (6) **FOSSE (MASTER ISSUER) HOLDINGS LIMITED** (registered number 5925689) whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX (in its capacity as **Holdings**);
- (7) **INTERTRUST MANAGEMENT LIMITED** (registered number 3853947) whose business address is at 1 Bartholomew Lane, London, EC2N 2AX (in its capacities as **Mortgages Trustee Corporate Services Provider, Funding 1 Corporate Services Provider** and **Issuer Corporate Services Provider**);
- (8) **INTERTRUST CORPORATE SERVICES LIMITED** (registered number 3920255) whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX (in its capacity as **UK Share Trustee**);
- (9) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH** whose principal office is at 40th Floor, One Canada Square, London E14 5AL, in its capacity as account bank in the case of the Funding 1 Transaction Account (**Account Bank A**);
- (10) **CITIBANK, N.A., LONDON BRANCH**, acting through its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (in its capacities as **Agent Bank, Exchange Rate Agent, Principal Paying Agent, Registrar** and **Transfer Agent**); and
- (11) **CITIBANK, N.A.**, whose address is 14th Floor, 388 Greenwich Street, New York, New York 10013 (in its capacity as the **US Paying Agent**).

**WHEREAS:**

- (A) The parties hereto (other than Santander UK, which has replaced Alliance & Leicester in its role as Seller and Servicer pursuant to the Part VII Scheme (as defined below) and other than Fosse Trustee (UK) Limited, which replaced Fosse Trustee Limited as trustee of the Mortgages Trust pursuant to the Supplemental Mortgages Trust Deed (defined below)) entered into the master definitions and construction schedule dated 28 November 2006 (the **Original Master Definitions and Construction Schedule**).
- (B) The Original Master Definitions and Construction Agreement was amended and/or restated on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014, 29 April 2016, 13 September 2019, 25 September 2019 and 30 April 2020 (as so amended, the **Existing Master Definitions and Construction Schedule**).
- (C) Pursuant to a bank business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (the **Part VII Scheme**), all of Alliance & Leicester's business was transferred to Santander UK. The Part VII Scheme was approved by the Part VII Order and became effective on 28 May 2010 (the **Part VII Effective Date**). Following the approval of the Part VII Scheme which provided for the transfer of any Transaction Document which incorporated this Master Definitions and Construction Schedule to which Alliance & Leicester was a party in its capacity as the Seller, the Cash Manager, the Issuer Cash Manager, the Servicer, the Funding 1 Start-Up Loan Provider, the Funding 1 Swap Provider and/or a Beneficiary, all accrued rights and obligations of Alliance & Leicester in such capacities under such Transaction Document and all future rights and obligations of Alliance & Leicester in such capacities under such Transaction Document were transferred to, and vested in or became liabilities of (as applicable), Santander UK on the Part VII Effective Date.
- (D) Pursuant to a supplement to the Mortgages Trust Deed dated on or around 29 April 2016 (the **Supplemental Mortgages Trust Deed**) entered into by Santander UK, Funding 1, Fosse Trustee Limited and Fosse Trustee (UK) Limited, Fosse Trustee (UK) Limited was appointed in place of Fosse Trustee Limited as trustee of the Mortgages Trust with effect from 29 April 2016 and the Trust Property vested in Fosse Trustee (UK) Limited as Mortgages Trustee.
- (E) The parties hereto have each agreed to amend and restate the Existing Master Definitions and Construction Schedule on the terms set out herein.
- (F) Pursuant to the supplemental funding 1 deed of charge (the **Supplemental Funding 1 Deed of Charge**), the supplemental issuer deed of charge (the **Supplemental Issuer Deed of Charge**) and the supplemental note trust deed (the **Supplemental Note Trust Deed**) each dated 7 December 2018, entered into by, amongst others, Law Debenture Trust Company of New York and The Bank of New York Mellon, acting through its London Branch, The Bank of New York Mellon, acting through its London Branch, was appointed in place of Law Debenture Trust Company of New York as Funding 1 Security Trustee, Issuer Security Trustee and Note Trustee with effect from 7 December 2018.

**IT IS AGREED** as follows:**1. ACCESSION OF NEW PARTIES**

- 1.1 If, after the date hereof, an entity which is not party to this Master Definitions and Construction Schedule (each, a **New Party**) has agreed to enter into any Funding 1 Transaction Document which incorporates this Master Definitions and Construction Schedule, Funding 1 shall procure (before that new Funding 1 Transaction Document becomes effective) that such New Party becomes a party to this Master Definitions and Construction Schedule by delivering to the Funding 1 Security Trustee

on behalf of the parties to this Master Definitions and Construction Schedule (including any previous New Party) (each, an **Existing Party**) an Accession Agreement (in the form set out in Schedule 1 (Accession Agreement)) (an **Accession Agreement**) duly executed by that New Party.

- 1.2 Upon execution and delivery of an Accession Agreement, the New Party will become a party to this Master Definitions and Construction Schedule.
- 1.3 No Existing Party is responsible to a New Party for:
  - (a) the execution, genuineness, validity, enforceability or sufficiency of any Funding 1 Transaction Document or any other document;
  - (b) the collectability of amounts payable under any Funding 1 Transaction Document; or
  - (c) the accuracy of any statements (whether written or oral) made in or in connection with any Funding 1 Transaction Document.
- 1.4 Each New Party confirms to the Existing Parties that, upon execution and delivery of an Accession Agreement in accordance with Clause 1.1, it:
  - (a) has made its own independent investigation and assessment of the financial condition and affairs of the Mortgages Trustee and Funding 1 (as applicable) in connection with the entry into the Funding 1 Transaction Document referred to in Clause 1.1; and
  - (b) will continue to make its own independent investigation and assessment of the financial condition and affairs of the Mortgages Trustee and Funding 1 (as applicable) whilst the Funding 1 Transaction Document referred to in Clause 1.1 is in force.

## 2. DEFINITIONS

In any agreement, instrument or deed expressly and specifically incorporating by reference this Master Definitions and Construction Schedule, the parties to this Master Definitions and Construction Schedule hereby agree that the following words and expressions shall, unless otherwise defined therein or unless the context otherwise requires, have the following meanings:

**1925 Act** means the Law of Property Act 1925 of England and Wales;

**2021 Base Prospectus** means the base prospectus dated on or around the date hereof;

**A Loan Tranches** means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class M Notes;

**AA Loan Tranches** means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class B Notes;

**AAA Loan Tranches** means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class A Notes;

**A Principal Deficiency Sub-Ledger** means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any A Loan Tranches;

**AA Principal Deficiency Sub-Ledger** means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any AA Loan Tranches;

**AAA Principal Deficiency Sub-Ledger** means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any AAA Loan Tranches or, where the context requires, the comparable ledger for a Further Funding Company;

**Account Bank** has the same meaning as Funding 1 Account Bank;

**Account Bank A** means the bank at which the Funding 1 Transaction Account is maintained from time to time, being, as at the date hereof, The Bank of New York Mellon, acting through its London Branch and thereafter such other authorised entity as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee;

**Account Bank B** means the bank at which the Funding 1 GIC Account is maintained from time to time, being as at the date hereof Santander UK plc situated at 2 Triton Square, Regent's Place, London NW1 3AN and thereafter such other replacement account bank as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee;

**Accrued Interest** means, in respect of a Mortgage Account on a given date (the **relevant date**), the interest which has accrued but which is not yet due and payable from and including the last regular Monthly Payment Date up to (but excluding) the relevant date;

**Adjusted General Reserve Fund Level** means the sum of:

- (a) the amount standing to the credit of the General Reserve Fund; and
- (b) the amount (if any) then to be credited in accordance with item 2(b) of the relevant Funding 1 Pre-Acceleration Principal Priority of Payments;

**Advance** means the aggregate of the amount advanced by the Funding 1 Start-up Loan Provider to Funding 1 on the Initial Closing Date pursuant to the Funding 1 Start-up Loan Agreement dated the Initial Closing Date and the amount advanced by the Funding 1 Start-up Loan Provider or any New Funding 1 Start-up Loan Provider on any Closing Date thereafter pursuant to any New Start-up Loan Agreement, or such part of such amount as shall be outstanding from time to time;

**Agent Bank** means Citibank, N.A., London Branch, acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as agent bank at its specified office or other such person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement;

**Agents** means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank;

**Affected Loan** has the meaning given in Clause 8.7 of the Mortgage Sale Agreement;

**Alliance & Leicester** means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE19 0AL;

**Alternative Insurance Recommendations** means the Seller's standard documents entitled "Alternative Insurance Requirements – New Business" and "Alternative Insurance Requirements", and any other document containing similar recommendations which is sent to Borrowers in accordance with the Seller's Policy;

**Amendment Effective Date** has the meaning given in the Funding 1 Swap Agreement;

**Annualised CPR** means the result of:

$$1 - ((1 - M) \wedge 12)$$

where "M" is expressed as a percentage and determined as at the most recent Trust Calculation Date as indicated in the definition of Funding 1 Anticipated Cash Accumulation Period;

**Arranger** means any institution named as such in the Base Prospectus or Final Terms relating to any Series and Class of Notes;

**Arrears of Interest** means, in respect of a given date, interest and expenses which are due and payable and remain unpaid on that date;

**Asset Trigger Event** means the event that occurs when an amount is debited to the AAA Principal Deficiency Sub-Ledger of Funding 1 or any Further Funding Company, unless such debit is made when the sum of the amount standing to the credit of the General Reserve Ledger, Liquidity Reserve Ledger (if any) and the Funding 1 Revenue Ledger together with amounts determined and due to be credited to the Funding 1 Revenue Ledger prior to the immediately following Funding 1 Interest Payment Date after such debit is made and the amount available under the Funding 1 Liquidity Facility Agreement (if any), is greater than the amount necessary to pay items (a) to (e) of the Funding 1 Pre-Acceleration Revenue Priority of Payments on the immediately following Funding 1 Interest Payment Date after such debit is made;

**Assignment of Third Party Rights** means an assignment and assignation of Related Security and rights of action against third parties substantially in the form set out in schedule 7 to the Mortgage Sale Agreement;

**Auditors** means PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH or such other internationally independent firm of auditors selected from time to time by (in the case of the Mortgages Trustee) the Mortgages Trustee (with the prior written consent of the Funding 1 Security Trustee) or (in the case of Funding 1), Funding 1 (with the prior written consent of the Funding 1 Security Trustee);

**Authorised Entity** means (a) any entity (i) whose unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 short-term and A long-term (or, if such entity has no short-term rating from S&P, at least A+ long-term) by S&P, (ii) whose short-term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's, and (iii) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively) by Fitch or (b) any other entity approved in writing by the Funding 1 Security Trustee and/or the Issuer Security Trustee, as applicable, and the Rating Agencies, in each case being an institution (1) incorporated in the United Kingdom or that is the United Kingdom branch of a foreign bank and (2) with a permission under Part IV of the FSMA that includes accepting deposits under the FSMA;

**Authorised Investments** means:

- (a) Sterling gilt-edged securities provided that in all cases such investments have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date for the Rated Notes (in relation to any Issuer Bank Account), Funding 1 Interest Payment Date (in relation to any Funding 1 Bank Account) or Distribution Date (in relation to any Mortgages Trustee Bank Account) and having (i) a minimum sovereign long-term rating at least equal to AA- and minimum sovereign short-term rating at least equal to A-1+ by Standard & Poor's and (ii) a minimum sovereign long-term rating at least equal to A1 and minimum sovereign short-term rating at least equal to P-1 by Moody's; and
- (b) (excluding deposits made with Eligible Banks pursuant to the Cash Management Agreement and the Eligible Bank Account Agreement) Sterling demand or time deposits, certificates of

deposit and short-term debt obligations (including commercial paper) provided that in all cases (i) such investments have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date for the Notes (in relation to any Issuer Bank Account), Funding 1 Interest Payment Date (in relation to any Funding 1 Bank Account) or Distribution Date (in relation to any Mortgages Trustee Bank Account), (ii) the short-term, unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) are rated at least equal to A-1+ by Standard & Poor's, the counterparty risk assessment assigned to the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) is no less than P-1(cr) by Moody's and the short-term "Issuer Default Rating" of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) are at least equal to F1+ by Fitch and the long-term "Issuer Default Rating" of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) are at least equal to AA- by Fitch (or such other ratings as may be acceptable to the respective Rating Agencies to maintain the then current ratings of the Rated Notes) and (iii) in relation to any investments made from monies standing to the credit of any Funding 1 Bank Account or any Mortgages Trustee Bank Account, as applicable, the interest or other return payable on any such investment shall be in an amount not less than the Funding 1 GIC Rate or the Mortgages Trustee GIC Rate, as applicable, for the term of such investment,

and which, in each case, do not consist, in whole or in part, actually or potentially, of tranches of other asset-backed securities, credit-linked notes, swaps or other definitive instruments or synthetic securities which would result in the recharacterisation of the Programme, the Notes or any transaction under the Transaction Documents as a "re-securitisation" as defined in Article 4(63) of the UK Capital Requirements Regulation and Article 2(4) of the UK Securitisation Regulation or a "synthetic securitisation" as defined in Article 242(11) of the UK Capital Requirements Regulation and Article 2(10) of the UK Securitisation Regulation (in each case, as amended and/or supplemented from time to time);

**Authorised Signatory** means, in respect of any document or agreement to be signed by any person in any capacity under the Transaction Documents, the person authorised by the board of directors of that person to sign that document or agreement;

**BACS** means the Bankers' Automated Clearing Service as amended from time to time or any scheme replacing the same;

**Bank Account Agreement** means the Funding 1 Bank Account Agreement, the Mortgages Trustee Bank Account Agreement or the Issuer Bank Account Agreement, as the context may require;

**Bank of England Base Rate** means the Bank of England's official dealing rate (the repo rate) as set by the UK Monetary Policy Committee;

**Base Prospectus** means, in relation to the Notes, the base prospectus of the Issuer relating to the establishment of the Programme, as updated from time to time, and as supplemented by any supplementary prospectus;

**Basket Swap Rate** has the meaning given in the Funding 1 Swap Agreement;

**BB Loan Tranches** means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class D Notes;



**BBB Loan Tranches** means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class C Notes;

**BB Principal Deficiency Sub-Ledger** means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any BB Loan Tranches;

**BBB Principal Deficiency Sub-Ledger** means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any BBB Loan Tranches;

**Beneficiaries** means the Funding Companies and the Seller, as beneficiaries of the Mortgages Trust;

**Borrower** means, in relation to a Loan, the individual or individuals specified as such in the relevant Mortgage Terms together with the individual or individuals (if any) from time to time assuming an obligation to repay such Loan or any part of it;

**Buildings Policies** means:

- (a) all buildings insurance policies relating to freehold English Properties or heritable Scottish Properties which have been taken out in the name of the relevant Borrower in accordance with the applicable Mortgage Terms or the Alternative Insurance Recommendations (including, but not limited to, the Santander UK plc Policies); and
- (b) all landlord's buildings insurance policies relating to leasehold Properties including Properties in Scotland held under a long lease;

**Bullet Accumulation Liability** means, on any Funding 1 Interest Payment Date prior to any payment under item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments, the aggregate of each Relevant Accumulation Amount at that time of each Bullet Loan Tranche which is within a Cash Accumulation Period;

**Bullet Accumulation Shortfall** means, at any time, the amount by which the Cash Accumulation Ledger Amount is less than the Bullet Accumulation Liability;

**Bullet Loan Tranche** means any Funding 1 Loan Tranche which is scheduled to be repaid in full on one Funding 1 Interest Payment Date (being the Scheduled Repayment Date). A Bullet Loan Tranche shall be deemed to be a Pass-Through Loan Tranche if a Pass-Through Trigger Event occurs;

**Business Day** means a day that is a London Business Day, a New York Business Day and a TARGET Business Day;

**Calendar Year** means a year from the beginning of 1st January to the end of 31st December;

**Capitalised Arrears** means, in relation to a Loan at any date (the **determination date**), the amount (if any) at such date of any interest In Arrears in respect of which, at the determination date, each of the following conditions have been satisfied:

- (a) the Seller has, by arrangement with the relevant Borrower, agreed to capitalise such interest In Arrears; and
- (b) such interest In Arrears has been capitalised and added, in the accounts of the Seller (or, if the determination date occurs after the Initial Closing Date, the Mortgages Trustee), to the principal amount outstanding in respect of such Loan;

**Capitalised Expenses** means, in relation to a Loan, the amount of any expense, charge, fee, premium or payment (excluding, however, any Arrears of Interest) capitalised and added to the principal amount outstanding in respect of such Loan in accordance with the relevant Mortgage Terms (including for the avoidance of doubt, any High Loan-to-Value Fee);

**Capitalised Interest** means the increase in the Outstanding Principal Balance of a Flexible Loan that occurs as a result of the relevant Borrower having taken a Payment Holiday or having made an Underpayment in respect of interest on that Flexible Loan, such increase to be in an amount equal to the accrued interest that was due but not paid;

**Capped Loan Tranche** has the meaning given in paragraph 4 of Part 2 of schedule 4 to the Funding 1 Deed of Charge;

**Cash Accumulation Ledger** means the separate ledger established and maintained by the Cash Manager pursuant to the Cash Management Agreement to record the amount accumulated by each Funding Company from time to time to pay the Relevant Accumulation Amounts;

**Cash Accumulation Ledger Amount** means, at any time, the amount standing to the credit of the Cash Accumulation Ledger at that time (immediately prior to any drawing to be applied on that Funding 1 Interest Payment Date and prior to any payment under item (h) in Base of the Funding 1 Pre-Acceleration Principal Priority of Payments);

**Cash Accumulation Liability** means, on any Funding 1 Interest Payment Date, prior to any payment under item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments, the sum of:

- (a) the Bullet Accumulation Liability at that time; and
- (b) the aggregate of each Relevant Accumulation Amount at that time of each Scheduled Amortisation Instalment which is within a Cash Accumulation Period;

**Cash Accumulation Loan Tranche** means a Bullet Loan Tranche and/or a Scheduled Amortisation Instalment;

**Cash Accumulation Period** means the Funding 1 Cash Accumulation Period and/or each Further Funding Company Cash Accumulation Period;

**Cash Accumulation Requirement** means, on a Trust Calculation Date in relation to a Funding Company:

- (a) the principal amount remaining to be repaid in relation to each Relevant Accumulation Amount due to that Funding Company;
- (b) plus, on a Trust Calculation Date falling immediately prior to a Funding Company Interest Payment Date, amounts due and payable by that Funding Company on the following Funding Company Interest Payment Date (or which will become due and payable in the current Funding Company Interest Period) in priority to principal amounts due by that Funding Company on the Relevant Accumulation Amount under the pre-acceleration principal priority(s) of payments relevant to that Funding Company (e.g. in relation to Funding 1, see items (a)-(c) inclusive of the Funding 1 Pre-Acceleration Principal Priority of Payments);
- (c) plus, on a Trust Calculation Date falling immediately prior to a Funding Company Interest Payment Date, the amount of Principal that will be required on the following Funding

Company Interest Payment Date to meet the Funding Company Revenue Deficit Amount (if any) in respect of that Funding Company;

- (d) less the amount standing to the credit of the Cash Accumulation Ledger of the relevant Funding Company at the last Funding Company Interest Payment Date (which amount was not distributed on that Funding Company Interest Payment Date and which is available to reduce the relevant Cash Accumulation Requirement);
- (e) less the sum of each relevant Cash Accumulation Requirement amount paid to the relevant Funding Company on a previous Distribution Date during the relevant Funding Company Interest Period;

**Cash Accumulation Shortfall** means, at any time, that the Cash Accumulation Ledger Amount is less than the Cash Accumulation Liability;

**Cash Management Agreement** means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Cash Management Services** means the cash management services set out in the Cash Management Agreement;

**Cash Manager** means Santander UK acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, the Funding Companies and the Funding Security Trustees to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, the Funding Companies and the Funding Security Trustees (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement);

**Cash Manager Termination Event** has the meaning given in clause 12.1 of the Cash Management Agreement;

**Cash Withdrawal** means a cash withdrawal made by a Borrower in the amount of all or part of the accrued Overpayments;

**CCA** means the Consumer Credit Act 1974 (as amended from time to time);

**CCA Mortgages** means any Loans and their Related Security in the Initial Portfolio or any New Portfolio (and each Product Switch and Further Advance made in respect thereof) which in respect of the English Loans are regulated by the CCA and documented on the following forms:

- (a) A&L Regulated Mortgage Conditions 1997 (England & Wales) - 1500107 G385 EW 6-00 (pdf);
- (b) A&L Regulated Mortgage Conditions 2002 (England & Wales) -1500520 E-W 10-02 (pdf) - this document was provided with the 1997 documents;
- (c) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 3-98 EW (pdf);
- (d) Credit Agreement (Second Copy) - linked to the 1997 conditions - CCA I02 3-98 EW (pdf);

- (e) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R2 3-98 EW (pdf);
- (f) Running Account Credit Facility (Advance Copy) - B7 - 1998 – 2 Yr FTB BRT Flexible RACA 9.99 (E&W) (Word document);
- (g) Running Account Credit Facility (Advance Copy) - B7a - 1998 - 3 Yr Discount Flexible RACA 9.99 (E&W) (Word document);
- (h) Credit Agreement (Advance Copy) - B4 - 2002 RACA 1 (pdf);
- (i) Credit Agreement (Second Copy) - B4 - 2002 RACA 2 (pdf); and
- (j) A&L Mortgage Conditions 2002 (England & Wales),

and in respect of the Scottish Loans and Northern Irish Loans which are stated to be regulated by the CCA and documented on the following forms:

- (a) A&L Regulated Mortgage Conditions 1997 (Scotland) - 1500110 SCO 6-00 (pdf);
- (b) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 3-98 S (pdf);
- (c) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R1 3-98 S (pdf);
- (d) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 3-98 S (pdf);
- (e) A&L Regulated Mortgage Conditions 2002 (Scotland) - 1500523 Sco 10-02 (pdf);
- (f) A&L Regulated Mortgage Conditions 1997 (Northern Ireland) - 1500111 NI 6-00 (pdf);
- (g) A&L Regulated Mortgage Conditions 2002 (Northern Ireland) -1500522 NI 10-02 (pdf);
- (h) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R26-98 NI (pdf);
- (i) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R1 6-98 NI (pdf);
- (j) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I02 6-98 NI (pdf);
- (k) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 6-98 NI (pdf); and
- (l) Mortgage Trust Deed (Regulated Loan) - linked to the conditions to which it applies –G3585 NI (6/00);

**Certificate of Title** means a solicitor's, licensed conveyancer's or (in Scotland) qualified conveyancer's report or certificate of title obtained by or on behalf of the Seller in respect of each Property substantially in the form of the pro-forma set out in the Standard Documentation;

**Class** means, with respect to the Notes, any of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes;

**Class A Notes** means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class B Notes** means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class C Notes** means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class D Notes** means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class M Notes** means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms;

**Class Z Notes** means the Notes designated as such in the applicable Final Terms (including, for the avoidance of doubt, the Class Z Variable Funding Notes);

**Class Z Variable Funding Notes** means the Class Z Notes designated as such in the applicable Final Terms;

**Clearing Agency** means an agency registered under the provisions of section 17A of the United States Securities Exchange Act of 1934;

**Clearing Corporation** means a "Clearing corporation" within the meaning of the New York Uniform Commercial Code;

**Clearstream, Luxembourg** means Clearstream Banking, S.A;

**Closing Date** has the meaning given to it in the applicable Final Terms;

**CMA** means the Competition and Markets Authority;

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

**Collection Accounts** means the collection accounts in the name of the Seller which are from time to time used for the purpose of collecting, directly or indirectly, on a daily basis, monies due in respect of the Loans and/or the Related Security forming part of the Trust Property and which will be transferred by the Servicer to the Mortgages Trustee GIC Account on the next London Business Day;

**Completion** means the completion of the sale and purchase of the relevant Portfolio pursuant to and in accordance with clause 3 or 4 (as applicable) of the Mortgage Sale Agreement;

**Compounded Daily SONIA** (a) in relation to a Loan Tranche, has the meaning given to that term in clause 7.2(d) of the Intercompany Loan Agreement, and (b) in relation to a series or class of Notes, has the meaning given to that term in Condition 4.2(b)(ii);

**Conditions** means the terms and conditions of the Notes or any New Notes (as applicable);

**Contribution** means a contribution of certain assets made by a Beneficiary to the Mortgages Trustee from time to time by way of an Initial Contribution, a Deferred Contribution, a Refinancing Contribution, a Further Contribution or a Seller Contribution;

**Contributions Ledger** means the ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement in order to record Contributions made to the Mortgages Trustee pursuant to the Mortgages Trust Deed;

**Controlling Beneficiary Deed** means the controlling beneficiary deed entered into on the Initial Closing Date between Funding 1, the Funding 1 Security Trustee and the Seller to which any Further Funding Company and any Further Funding Security Trustee will accede at the time that such Further Funding Company becomes a Beneficiary of the Mortgages Trust (as the same may be amended, restated, supplemented, replaced and/or novated from time to time);

**Controlling Directions** has the meaning given in the Controlling Beneficiary Deed;

**Convention** means the Modified Following Business Day Convention as defined in the 2000 ISDA Definitions published by the International Swaps and Derivatives Associations;

**Corporate Services Agreements** means the Funding 1 Corporate Services Agreement, the Issuer Corporate Services Agreement, the Mortgages Trustee Corporate Services Agreement and/or any corporate services agreement entered into between New Issuers and/or Further Funding Companies and the relevant corporate services provider;

**Corporate Services Provider** means, collectively, the Mortgages Trustee Corporate Services Provider, the Funding 1 Corporate Services Provider and the Issuer Corporate Services Provider;

**CPR** means, on any Trust Calculation Date, the annualised principal repayment rate of all the Loans comprised in the Trust Property during the previous Trust Calculation Period calculated as follows:

$$1 - ((1 - R) \wedge 12)$$

where "**R**" equals the result (expressed as a percentage) of the total Principal Receipts received during the period of one month (or, if shorter, from and including the Closing Date) ending on that Trust Calculation Date divided by the aggregate Outstanding Principal Balance of the Loans comprised in the Trust Property as at the first day of that period;

**Current Balance** means, in relation to a Loan at any given date, the aggregate (without double counting) of the Outstanding Principal Balance, Accrued Interest and other amounts In Arrears relating to that Loan as at that date;

**Customer Files** means the file or files relating to each Loan containing, *inter alia*:

- (a) all material correspondence relating to that Loan; and
- (b) the completed mortgage documentation applicable to the Loan (other than the Title Deeds) including the Valuation Report and the solicitor's or licensed conveyancer's (or, in Scotland, qualified conveyancer's) Certificate of Title,

whether original documentation, electronic form or otherwise or information provided by such documentation stored on an electronic database;

**D.D. Date** means the date of delivery to the Mortgages Trustee Account Bank or BACS (as the case may be) of such instructions as may be necessary from time to time for the debit of a Borrower's account in respect of which there is a direct debit mandate;

**Dealers** means the institutions specified as such in the Final Terms relating to any Series and Class of Notes;

**Deed of Accession** means a form of deed of accession to the Funding 1 Deed of Charge substantially in the form set out in schedule 3 to the Funding 1 Deed of Charge;

**Deed of Consent** means a deed whereby a person in or intended to be in occupation of a Property situated in England and Wales or Northern Ireland agrees with the Seller to postpone his or her interest (if any) in the Property so that it ranks after the interest created by the relevant Mortgage;

**Deed of Postponement** means a deed or agreement whereby a mortgagee of or the heritable creditor in relation to a Property agrees with the Seller to postpone its mortgage or standard security (as applicable) over the Property so that the sums secured by it will rank for repayment after the sums secured by the relevant Mortgage;

**Deferred Contribution** means a Contribution by way of cash payable pursuant to the terms of the Mortgages Trust Deed, by a Funding Company and in respect of the share of that Funding Company in the Trust Property for the purposes of enabling the Mortgages Trustee to fund the payment of the Deferred Purchase Price owed by the Mortgages Trustee, pursuant to the terms of the Mortgage Sale Agreement, to the Seller in respect of the Portfolio;

**Deferred Distribution Date** means each date that the Mortgages Trustee receives the payment of a Deferred Contribution;

**Deferred Purchase Price** means, on any Funding 1 Interest Payment Date, an amount equal to any Deferred Contributions made by a Funding Company to the Mortgages Trustee in accordance with the terms of the Mortgages Trust Deed;

**Definitive Notes** means the Notes while in definitive form;

**Delayed Cashback** means, in relation to any Loan, an agreement by the Seller to pay an amount to the relevant Borrower after a specified period of time following completion of the relevant Loan;

**Designated Transaction Representative** means, with respect to the USD-LIBOR Issue 2019-1 Notes and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, the Issuer (acting on the advice of the Cash Manager).

**Differential Rate** means the applicable margin above or below, in relation to a Variable Rate Loan, the applicable Variable Rate and, in relation to a Tracker Loan, the Tracker Rate;

**Direct Debiting Scheme** means the scheme for the manual or automated debiting of bank accounts operated in accordance with the detailed rules of the scheme maintained by BACS;

**Discount Loans** means those Variable Rate Loans that allow the Borrower to pay interest at a specified discount to the relevant Variable Rate for a certain period;

**Discount Rate Period** means the period of time during which a Discount Loan is subject to a rate of interest at a specified discount to the applicable Variable Rate;

**Distribution Date** means the eighth day of each month or, if not a London Business Day, the next succeeding London Business Day, being the date that the Mortgages Trustee will distribute Principal Receipts and Revenue Receipts to the Beneficiaries;

**Double Taxation Treaty** means any convention between the government of the United Kingdom and any other government for the avoidance of double taxation;

**Drawdown Date** means the date on which a Loan Tranche under the Intercompany Loan Agreement is made to Funding 1 by the Issuer as specified in the relevant Loan Tranche Notice;

**DTC** means The Depository Trust Company;

**Early Repayment Charges** means any fee which a Borrower is required to pay in the event that his or her Loan becomes repayable for any mandatory reason or the Borrower repays all or any part of the relevant Loan before a specified date;

**Eligible Bank** means an Authorised Entity (which, for the avoidance of doubt, shall be an institution incorporated in the United Kingdom or that is the United Kingdom branch of a foreign bank) selected by the Cash Manager from a panel of banks in accordance with the Panel Bank Guidelines, for the purposes of depositing amounts standing to the credit of the Funding 1 Transaction Account subject to and in accordance with the terms of the Funding 1 Bank Account Agreement and the Cash Management Agreement;

**Eligible Bank Account** means an account in the name of Funding 1 held with an Eligible Bank subject to and in accordance with the terms of the Funding 1 Bank Account Agreement and the Cash Management Agreement; provided, that, for the avoidance of doubt, the Funding 1 GIC Account is not an Eligible Bank Account;

**Eligible Bank Account Agreement** means a bank account agreement substantially in the form set out in schedule 5 to the Cash Management Agreement and entered into between an Eligible Bank and The Bank of New York Mellon, acting through its London Branch;

**Eligible Bank Ledger** means a ledger established and maintained by the Cash Manager in the books of Funding 1 for the purpose of recording amounts deposited with Eligible Banks from time to time;

**Eligible Bank Terms and Conditions** means the terms and conditions named "Third Party Deposit Placement Services Terms and Conditions" entered into on 29 August 2013 between Funding 1, Santander UK and The Bank of New York Mellon, acting through its London Branch;

**Eligible General Reserve Fund Principal Repayments** means:

- (a) prior to the occurrence of a Trigger Event:
  - (i) repayments of principal which are then due and payable in respect of Original Bullet Loan Tranches; and
  - (ii) repayments of principal in respect of Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only; and
- (b) on or after the occurrence of a Non-Asset Trigger Event or an Asset Trigger Event, repayments of principal in respect of Original Bullet Loan Tranches and Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only,

in each case prior to the service of an Intercompany Loan Acceleration Notice on Funding 1;

**Eligible Liquidity Reserve Fund Principal Repayments** means:

- (i) prior to the occurrence of a Trigger Event:
  - (a) repayments of principal which are then due and payable in respect of the Original Bullet Loan Tranches; and
  - (b) repayments of principal in respect of Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only; and



- (ii) on or after the occurrence of a Trigger Event, repayments of principal in respect of Original Bullet Loan Tranches and Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only;

**Encumbrance** has the same meaning as **Security Interest**;

**Enforcement Procedures** means the procedures for the enforcement of Mortgages undertaken by the Servicer from time to time in accordance with the Seller's Policy;

**English Flexible Loan** means a Flexible Loan secured by an English Mortgage;

**English Loan** means a Loan which is secured by an English Mortgage;

**English Mortgage** means a Mortgage secured over a Property in England or Wales;

**EU CRR Amendment Regulation** means Regulation (EU) 2017/2401, as amended;

**EU Capital Requirements Regulation** means Regulation (EU) No. 575/2013, as amended by the EU CRR Amendment Regulation (EU) 2017/2401;

**EU EMIR** means Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation;

**Euroclear** means Euroclear Bank SA./NV. or the successor for the time being to such business;

**EU Risk Retention Requirements** means Article 6 of the EU Securitisation Regulation;

**EU Securitisation Regulation** means Regulation (EU) 2017/1402 (as amended by Regulation (EU) No. 2021/557) together with any EU Securitisation Rules, in each case, in respect of the EU Risk Retention Requirements as such regulation, standards, guidance, or statements are in effect as of the date of the 2021 Base Prospectus or, to the extent any amendments to such regulation, standards, guidance, or statements come into effect after the date of the 2021 Base Prospectus, as otherwise adopted by the Seller in its sole discretion from time to time;

**EU Securitisation Rules** means (i) any regulatory and/or implementing technical standards made under Regulation (EU) 2017/2402 as amended (including any applicable transitional provisions); and/or (ii) any relevant guidance and policy statements relating to the application of Regulation (EU) 2017/2402 (as amended) published by the EBA, the ESMA, the EIOPA (or their successor), collectively, the European Supervisory Authorities or ESAs, including any applicable guidance and policy statements issued by the Joint Committee of ESAs and/or the European Commission;

**EU Securitisation Regulation Undertaking** means, in respect of any series of Notes, an undertaking to comply with certain provisions of Article 7 of the EU Securitisation Regulation, as further specified in the relevant Final Terms for such series;

**EU Transparency Requirements** means Article 7 of the EU Securitisation Regulation;

**EUWA** means the European Union (Withdrawal) Act 2018, as amended;

**Exchange Act** means the United States Securities Exchange Act of 1934, as amended;

**Excluded Further Advance** means all Loans subject of a Further Advance that are or are to be repurchased (including, for the avoidance of doubt, the relevant Further Advance) by the Seller pursuant to clause 8.3(c) of the Mortgage Sale Agreement;

**Excluded Further Advance Notice** means a notice from the Seller to the Mortgages Trustee pursuant to clause 8.3(c) of the Mortgage Sale Agreement in the form set out in schedule 18 to the Mortgage Sale Agreement;

**Excluded Product Switch** means all Loans subject of a Product Switch that are or are to be repurchased by the Seller pursuant to clause 8.3(d) of the Mortgage Sale Agreement;

**Excluded Product Switch Notice** means a notice from the Seller to the Mortgages Trustee pursuant to clause 8.3(d) of the Mortgage Sale Agreement in the form set out in schedule 19 to the Mortgage Sale Agreement;

**Extraordinary Payment Holiday** means a period during which a Borrower suspends payments under a Loan where the Borrower, by arrangement with the Seller in relation to an Extraordinary Payment Holiday Event, is permitted to do so and therefore is not in breach of the Mortgage Terms;

**Extraordinary Payment Holiday Adjustment Amount** has the meaning given to it in clause 13.3(a) of the Mortgages Trust Deed;

**Extraordinary Payment Holiday Amount** means, on any Distribution Date, the aggregate amount of the interest that would have been due during the immediately preceding Trust Calculation Period in respect of any Loans which are the subject of an Extraordinary Payment Holiday;

**Extraordinary Payment Holiday Event** means exceptional circumstances (as determined by the Seller) during which the Seller may make arrangements with affected Borrowers under which the Seller permits such Borrowers to make no payments in respect of the Loans for a specified period without such Loans becoming In Arrears;

**Extraordinary Payment Holiday Funding Amount** means, on any Distribution Date, the product of: (a) the Extraordinary Payment Holiday Amount on such Distribution Date; and (b) the Funding 1 Share Percentage;

**Extraordinary Payment Holiday Shortfall Amount** means, on any Distribution Date, the amount (if positive) equal to: (a) the Extraordinary Payment Holiday Funding Amount determined on the immediately preceding Distribution Date; less (b) the Extraordinary Payment Holiday Adjustment Amount allocated to Funding on the immediately preceding Distribution Date in accordance with Clause 13.3 of the Mortgages Trust Deed;

**Extraordinary Payment Holiday Start-up Loan** means all the advances made available by the Extraordinary Payment Holiday Start-up Loan Provider to Funding pursuant to the Extraordinary Payment Holiday Start-up Loan Agreement;

**Extraordinary Payment Holiday Start-up Loan Agreement** means the agreement entered into on 30 April 2020 between Funding 1, the Extraordinary Payment Holiday Start-up Loan Provider and the Funding 1 Security Trustee relating to the provision of the Extraordinary Payment Holiday Start-up Loan to Funding 1;

**Extraordinary Payment Holiday Start-up Loan Ledger** means the ledger that shall be maintained by the Cash Manager pursuant to the Cash Management Agreement to record the balance from time to time of the Extraordinary Payment Holiday Start-up Loan;

**Extraordinary Payment Holiday Start-up Loan Provider** means Santander UK in its capacity as provider of the Extraordinary Payment Holiday Start-up Loan;

**Extraordinary Resolution** has the meaning given in the relevant Note Trust Deed;

**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);

**FCA** means the Financial Conduct Authority of the United Kingdom (previously known as the Financial Services Authority until 1 April 2013) or such successor or replacement authority;

**FCA Rules** means the rules made by the FCA under the FSMA;

**Federal Reserve Bank of New York's Website** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

**Federal Reserve's website** means the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website;

**Final Maturity Date** means, in respect of a Series and Class of Notes, the date specified as such for such Series and Class of Notes in the Final Terms;

**Final Repayment Date** means, in relation to a Loan Tranche, the date specified as such in the related Loan Tranche Supplement and applicable Final Terms;

**Final Terms** means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes giving details of, *inter alia*, the amount and price of such Series of Notes and which forms part of the Base Prospectus in relation to such Series of Notes;

**Fitch** means Fitch Ratings Limited and any successor to its ratings business;

**Fitch Conditions** means, collectively, that on the relevant Sale Date:

- (i) the original weighted average LTV (calculated in the manner agreed with Fitch from time to time) of the Loans in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, cannot be more than the original weighted average LTV at the most recent Closing Date plus the "**original weighted average LTV margin**", as specified in the most recent Final Terms. The Outstanding Principal Balance (for Flexible Loans, the maximum drawable amount) and the property valuation at the relevant origination date, in each case in respect of such Loan, shall be used in the calculation of original weighted average LTV;
- (ii) the current weighted average LTV (calculated in the manner agreed with Fitch from time to time) of the Loans in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, not taking into account any indexation, cannot be more than the current weighted average LTV at the most recent Closing Date plus the "**current weighted average LTV margin**", as specified in the most recent Final Terms. The Outstanding Principal Balance (for Flexible Loans, the maximum drawable amount) and the most recent property valuation at the relevant Sale Date, in each case in respect of such Loan, shall be used in the calculation of current weighted average LTV;
- (iii) the weighted average income multiple (calculated in the manner agreed with Fitch from time to time) of the Loans in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, cannot be more than the "**current weighted average income multiple threshold**", as specified in the most recent Final Terms; and

- (iv) the proportion of Loans with an original LTV (calculated in the manner agreed with Fitch from time to time) higher than 80% in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, cannot be more than the proportion of loans with an original LTV higher than 80% at the most recent Closing Date plus the "**original LTV margin**", as specified in the most recent Final Terms,

as the same may be amended by Fitch from time to time;

**Fixed Rate Loan Balance** has the meaning given in the Funding 1 Swap Agreement;

**Fixed Rate Loans** means those Loans to the extent that and for such time that the interest rate payable by the Borrower on all or part of the Outstanding Principal Balance does not vary and is fixed for a certain period of time by the Seller;

**Fixed Rate Period** means the period of time during which a Fixed Rate Loan is subject to a specified fixed rate of interest;

**Fixed Rate Spread** has the meaning given in the Funding 1 Swap Agreement;

**Flexible Draw Capacity** has the meaning given in clause 12.2 of the Mortgages Trust Deed;

**Flexible Loans** means a type of Loan product that may, *inter alia*, incorporate features that give the Borrower the option to make Overpayments and, from the credit accumulated on the flexible facility by virtue of such Overpayments, make Underpayments or take Payment Holidays or make Cash Withdrawals and for the avoidance of doubt includes Flexible Plus Loans;

**Flexible Loan Drawing** means any further drawing of monies made by a Borrower under a Flexible Loan other than the Initial Advance (but including any Capitalised Interest);

**Flexible Plus Loans** means Flexible Loans governed under the Flexible Plus Mortgage Conditions 2003 (edition) or the Flexible Plus Mortgage Conditions 2006 (edition) and, in each case, any subsequent amendment or replacement therefor acceptable to a reasonable, prudent mortgage lender; Flexible Plus Mortgage Conditions 2003 (edition) means the mortgage conditions booklet reference MORT 0201 MAY 03 DS and any subsequent amendment or replacement thereto acceptable to a reasonable, prudent mortgage lender; Flexible Plus Mortgage Conditions 2006 (edition) means the mortgage conditions booklet reference MORT 0201 MAR 06 F and any subsequent amendment or replacement thereto acceptable to a reasonable, prudent mortgage lender;

**Follow-On Rate** means the Seller's follow-on tracker rate consisting of: (i) a fixed margin, plus (ii) the Bank of England base rate, as published by the Seller from time to time;

**Force Majeure Event** means an event beyond the reasonable control of the person affected including (without limitation) strike, lock out, labour dispute, act of God, war, riot, civil commotion, epidemics, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, cyber-attack (or similar), cyber security threats, cyber fraud, electricity power-cut, fire or flood; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; or market conditions affecting the execution or settlement of transactions or the value of assets and breakdown, failure or malfunction of any telecommunication system;

**FSMA 2000** or **FSMA** means the Financial Services and Markets Act 2000 (as amended from time to time);

**Funding 1** means Fosse Funding (No.1) Limited (registered number 5925696), a limited company incorporated under the laws of England and Wales, whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX;

**Funding 1 Account Bank** means each bank at which the Funding 1 Bank Accounts are maintained from time to time (being, as at the date hereof, in the case of Account Bank B, Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN, and, in the case of Account Bank A, The Bank Of New York Mellon, acting through its London Branch, whose principal office is at One Canada Square, London E14 5AL, and, thereafter, such other replacement account bank as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement);

**Funding 1 Account Bank Ratings** means (i) unsecured, unsubordinated and unguaranteed debt obligations ratings of at least A-1 short-term and A long-term (or, if the Funding 1 Account Bank has no short-term rating from Standard & Poor's, at least A+ long-term by Standard & Poor's, (ii) a counterparty risk assessment by Moody's of at least P-2(cr) (or, if a counterparty risk assessment is not available, short-term, unsecured, unsubordinated and unguaranteed debt obligation ratings of at least P-2 by Moody's and (iii) short-term and long-term "Issuer Default Ratings" of at least F1 and A (respectively) by Fitch;

**Funding 1 Accounts** has the same meaning as Funding 1 Bank Accounts;

**Funding 1 Agreements** means each of the Transaction Documents to which Funding 1 is a party (as the same may be amended, restated, novated, varied and/or supplemented from time to time) including (but not limited to) this Master Definitions and Construction Schedule, the Servicing Agreement, the Mortgages Trust Deed, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Corporate Services Agreement, the Intercompany Loan Agreement, the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Funding 1 Start-up Loan Agreements, the Mortgages Trustee Bank Account Agreement, the Servicing Agreement, the Mortgage Sale Agreement, each Scottish Declaration of Trust, the Seller Power of Attorney, the Funding 1 Security Power of Attorney and all other agreements referred to therein or otherwise referred to as "Funding 1 Agreements" in each Deed of Accession entered into by, *inter alios*, Funding 1 and the Funding 1 Security Trustee, from time to time;

**Funding 1 Anticipated Cash Accumulation Period** means, on any Trust Calculation Date, the anticipated number of months required by Funding 1 to accumulate sufficient Principal Receipts to pay the Relevant Accumulation Amount of Funding 1 in relation to the relevant Cash Accumulation Loan Tranche made to Funding 1, which will be equal to:

$$\frac{J + K - L}{M \times N \times O}$$

calculated in months and rounded up to the nearest whole number, where:

J = the Relevant Accumulation Amount;

K = the aggregate Outstanding Principal Amount on that Trust Calculation Date of:

- each Cash Accumulation Loan Tranche made to Funding 1 that was not fully repaid on its Scheduled Repayment Date; and

- each other Cash Accumulation Loan Tranche made to Funding 1, the Scheduled Repayment Date of which falls on or before the Scheduled Repayment Date of the Relevant Accumulation Amount;

L = the amount of any available cash already standing to the credit of the Cash Accumulation Ledger of Funding 1 at the start of that Funding 1 Interest Period (which is available to pay the Relevant Accumulation Amount) plus the aggregate amount of Cash Accumulation Requirement paid to Funding 1 since the previous Funding 1 Interest Payment Date;

M = means the sum of each Monthly CPR on the 12 most recent Trust Calculation Dates which have occurred prior to that date divided by 12;

N = 0.85; and

O = the aggregate Current Balance of the Loans comprising the Trust Property on the previous Trust Calculation Date in respect of the previous Trust Calculation Period (or if applicable the Initial Closing Date);

**Funding 1 Available Amount** has the meaning given in the Funding 1 Swap Agreement;

**Funding 1 Available Principal Receipts** means, on the applicable Funding 1 Calculation Date, an amount equal to the sum of:

- all Mortgages Trust Available Principal Receipts received by Funding 1 during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date;
- all other Funding 1 Principal Receipts standing to the credit of the Cash Accumulation Ledger which are to be applied on the next Funding 1 Interest Payment Date to repay a Bullet Loan Tranche and/or, subject to Rule 1 as set out in paragraph 3 of Part 2 of schedule 4 to the Funding 1 Deed of Charge, a Scheduled Amortisation Instalment, or to make a payment under items (a) and (b) of the Funding 1 Pre-Acceleration Principal Priority of Payments and, if such Funding 1 Interest Payment Date occurs on or after a Trigger Event, the remainder of such receipts standing to the credit of the Cash Accumulation Ledger;
- the amount (if any) to be credited to the Funding 1 Principal Deficiency Ledger pursuant to the terms of the Funding 1 Pre-Acceleration Revenue Priority of Payments on the relevant Funding 1 Interest Payment Date;
- in so far as available for and needed to make Eligible General Reserve Fund Principal Repayments, the amount that would then be standing to the credit of the General Reserve Ledger on the relevant Funding 1 Interest Payment Date, less any amounts applied or to be applied on the relevant Funding 1 Interest Payment Date in payment of interest and other revenue expenses as set out in paragraphs (a) to (e) inclusive, (g), (j), (l) and (n) of the Funding 1 Pre-Acceleration Revenue Priority of Payments, plus any amounts which will be credited to the General Reserve Ledger under item (b) of the relevant Funding 1 Pre-Acceleration Principal Priority of Payments on the next Funding 1 Interest Payment Date (i.e. occurring at the end of such period of four business days);
- in so far as available for and needed to make Eligible Liquidity Reserve Fund Principal Repayments, the amount that would then be standing to the credit of the Liquidity Reserve Ledger on the relevant Funding 1 Interest Payment Date, less any amounts applied or to be applied on the relevant Funding 1 Interest Payment Date in payment of interest and other revenue expenses as set out in paragraphs (a) to (g) of the Funding 1 Pre-Acceleration Revenue Priority of Payments plus any amounts which will be credited to the Liquidity

Reserve Ledger under item (c) of the relevant Funding 1 Pre-Acceleration Principal Priority of Payments on the next Funding 1 Interest Payment Date (i.e. occurring at the end of such period of four business days); and

- (f) any amount available to be drawn under the Funding 1 Liquidity Facility (if established) to make a Funding 1 Liquidity Facility Principal Payment (as agreed under the terms of the Funding 1 Liquidity Facility Agreement),

less amount to be applied on the relevant Funding 1 Interest Payment Date to pay items (a) to (e) (inclusive), (g), (j), (l) and (n) of the Funding 1 Pre-Acceleration Revenue Priority of Payments,

provided that Non Bullet Funding 1 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 the insolvency, bank insolvency, administration or bank administration of Santander UK or it being unable to pay these amounts) shall cease to constitute Funding 1 Available Principal Receipts;

**Funding 1 Available Revenue Receipts** means, on each Funding 1 Interest Payment Date, an amount calculated on the applicable Funding 1 Calculation Date equal to the sum of:

- (a) all Mortgages Trust Available Revenue Receipts distributed or to be distributed to Funding 1 during the Funding 1 Interest Period ending on the Funding 1 Interest Payment Date;
- (b) other net income of Funding 1 (including all amounts of interest received on the Funding 1 GIC Account, the Funding 1 Transaction Account and Authorised Investments and amounts received by Funding 1 under the relevant Funding 1 Swap Agreement (other than any early termination amount received by Funding 1 under the relevant Funding 1 Swap Agreement), any payment made by the Seller pursuant to clause 6.2(c) of the Mortgages Trust Deed and any Advance made available to Funding by the Extraordinary Payment Holiday Start-up Loan Provider pursuant to clause 3.3 of the Extraordinary Payment Holiday Start-up Loan Agreement, in each case to be received during the relevant Funding 1 Interest Period ending on the Funding 1 Interest Payment Date;
- (c) any amounts standing to the credit of the General Reserve Ledger in excess of the General Reserve Required Amount as a result of a reduction in the General Reserve Required Amount;
- (d) without double counting with the excess amounts referred to in paragraph (c) above, the amounts then standing to the credit of the General Reserve Ledger, subject to any limits or conditions on the purposes for which the General Reserve Fund may be utilised as set out in the Funding 1 Deed of Charge;
- (e) if a Liquidity Reserve Fund Rating Event has occurred and is continuing, and there are no amounts standing to the credit of the General Reserve Ledger, the amounts then standing to the credit of the Liquidity Reserve Ledger and available to be drawn to the extent necessary to pay the items in paragraphs (a) to (g) in the Funding 1 Pre-Acceleration Revenue Priority of Payments;
- (f) if a Liquidity Reserve Fund Rating Event has occurred but is no longer continuing due to an increase in the Seller's rating since the preceding Funding 1 Interest Payment Date, and Funding 1 elects to terminate the Liquidity Reserve Fund, all amounts standing to the credit of the Liquidity Reserve Ledger;

- (g) any amounts standing to the credit of the Liquidity Reserve Ledger in excess of the Liquidity Reserve Fund Required Amount as a result of a reduction in the Liquidity Reserve Fund Required Amount;
- (h) any amount available to be drawn by Funding 1 under the Funding 1 Liquidity Facility (if established) for payment of any amounts other than Funding 1 Liquidity Facility Principal Payments or Funding 1 Liquidity Facility Subordinated Amounts (as agreed under the terms of the Funding 1 Liquidity Facility Agreement); and
- (i) (only to the extent required after making the calculation set out in clause 1.1 of Part 1 schedule 4 to the Funding 1 Deed of Charge) the aggregate of all Funding 1 Principal Receipts (if any) which are to be applied on the relevant Funding 1 Interest Payment Date to pay up to the applicable limits items (a) to (e) inclusive, (g), (j), (l) and (n) in the Funding 1 Pre-Acceleration Revenue Priority of Payments,

provided that amounts of interest accrued in respect of Non Bullet Funding 1 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 the insolvency, bank insolvency, administration or bank administration of Santander UK or it being unable to pay these amounts) shall cease to constitute Funding 1 Available Revenue Receipts.

The definition of Funding 1 Available Revenue Receipts does not include:

- (a) any Refinancing Contribution which is applied to reduce the Funding 1 Share during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date; and
- (b) the proceeds of any New Intercompany Loan received by Funding 1 during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date;

**Funding 1 Bank Account Agreement** means the agreement entered into on 23 November 2009 between Santander UK plc in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated on 1 August 2007 and 20 December 2009, as amended on 23 November 2009, as further amended and restated on 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014 and as further amended and restated on 13 September 2019, which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Bank Accounts** means the Funding 1 GIC Account, any Funding 1 Collateral Account(s) and the Funding 1 Transaction Account (including the Santander A-2/P-2/F2 Account) and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time;

**Funding 1 Calculation Date** means the day falling four Business Days prior to each Funding 1 Interest Payment Date;

**Funding 1 Cash Accumulation Period** (in respect of a Scheduled Amortisation Loan Tranche) means three months and (in respect of a Bullet Loan Tranche) means the period of time beginning on the earlier of the following two dates:

- (a) the date determined after counting back in time from the relevant Scheduled Repayment Date of the Relevant Accumulation Amount, the number of months calculated under the definition of the Funding 1 Anticipated Cash Accumulation Period; and



- (b) the date determined after counting back in time from the relevant Scheduled Repayment Date of the Relevant Accumulation Amount, the Funding 1 Minimum Cash Accumulation Period,

PROVIDED THAT, if the beginning of a Cash Accumulation Period as determined above would fall on a date which is not a Distribution Date, then the Cash Accumulation Period shall commence on the Distribution Date falling immediately before that date. A Cash Accumulation Period shall end in respect of a Relevant Accumulation Amount when Funding 1 has accumulated an amount equal to that particular Relevant Accumulation Amount;

**Funding 1 Charged Property** means the property charged by Funding 1 under and pursuant to the Funding 1 Deed of Charge (and any amendment or supplement thereto);

**Funding 1 Collateral Account** means the collateral account in the name of Funding 1 held at the Funding 1 Account Bank;

**Funding 1 Collateral Account Mandate** means the bank account mandate between Funding 1 and Account Bank B relating to the operation of the Funding 1 Collateral Account;

**Funding 1 Corporate Services Agreement** means the agreement dated the Initial Closing Date between the Funding 1 Corporate Services Provider, Funding 1, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the Funding 1 Corporate Services Provider of certain corporate services and personnel to Funding 1 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Corporate Services Fee Letter** means the letter dated the date of the Funding 1 Corporate Services Agreement between, *inter alios*, Funding 1, the Funding 1 Security Trustee and the Funding 1 Corporate Services Provider, setting out the amount of fees payable to the Funding 1 Corporate Services Provider by Funding 1;

**Funding 1 Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 under the Funding 1 Corporate Services Agreement;

**Funding 1 Deed of Charge** means the deed of charge entered into on the Initial Closing Date between Funding 1, the Issuer, the Funding 1 Account Bank, the Seller, the Mortgages Trustee, the Cash Manager, the Funding 1 Swap Provider, the Corporate Services Provider, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee and each Deed of Accession entered into pursuant thereto, as the same may be supplemented, amended, restated and/or varied from time to time;

**Funding 1 Determination Date** means the Funding 1 Interest Payment Date on which the relevant Funding 1 Interest Period commences or, in the case of the first Funding 1 Interest Period, the Initial Closing Date;

**Funding 1 GIC Account** means the account in the name of Funding 1 (sort code 72-01-00) held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place with the prior consent of the Funding 1 Security Trustee;

**Funding 1 GIC Account Mandate** means the bank account mandate between Funding 1 and Account Bank B relating to the operation of the Funding 1 GIC Account;

**Funding 1 GIC Balance** means, on any day during a Funding 1 Interest Period, the amount standing to the credit of the Funding 1 GIC Account as at the opening of business on such day;

**Funding 1 GIC Rate** means, whilst Santander UK plc (in its capacity as Account Bank B) maintains the Funding 1 GIC Account, a variable rate of 0.10 per cent. per annum below the Bank of England Base Rate and thereafter, if Santander UK plc no longer maintains the Funding 1 GIC Account, such other rate as Funding 1 is reasonably able to obtain provided such rate does not cause a downgrade of the then current Rating of the Notes;

**Funding 1 Interest Payment Date** means, in respect of a Loan Tranche, the Quarter Dates specified in the applicable Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Interest Period** means, in respect of a Loan Tranche, with respect to the first Funding 1 Interest Payment Date, the period from (and including) the applicable Loan Tranche Interest Commencement Date to (but excluding) such first Funding 1 Interest Payment Date and, thereafter, the period from (and including) the preceding Funding 1 Interest Payment Date to (but excluding) that Funding 1 Interest Payment Date;

**Funding 1 Ledgers** means the Funding 1 Principal Ledger, the Funding 1 Revenue Ledger, the General Reserve Ledger, the Funding 1 Principal Deficiency Ledger, the Extraordinary Payment Holiday Start-up Loan Ledger, the Intercompany Loan Ledger and the Cash Accumulation Ledger together with each sub-ledger thereof and such other ledgers as the Cash Manager determines are, or should be, maintained to record the cashflows of Funding 1;

**Funding 1 Liquidity Drawing** means a drawing under a Funding 1 Liquidity Facility;

**Funding 1 Liquidity Facility** means a liquidity facility entered into at any time after the Initial Closing Date;

**Funding 1 Liquidity Facility Agreement** means any agreement entered into after the Initial Closing Date between (*inter alios*) Funding 1 and the Funding 1 Liquidity Facility Provider in relation to the provision of a liquidity facility to Funding 1;

**Funding 1 Liquidity Facility Principal Payment** means the payments specified as such in the Funding 1 Liquidity Facility Agreement (if any);

**Funding 1 Liquidity Facility Provider** means the provider of the Funding 1 Liquidity Facility;

**Funding 1 Liquidity Facility Subordinated Amounts** means the amounts specified as such in the Funding 1 Liquidity Facility Agreement (if any);

**Funding 1 Loan** means all the advances made available by the Funding 1 Loan Provider to Funding 1 pursuant to the Funding 1 Loan Agreement;

**Funding 1 Loan Agreement** means the Funding 1 Loan Agreement dated 19 August 2013 between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Funding 1 Loan Prepayable Amount** has the meaning given to it in clause 4.10(c) of the Cash Management Agreement;

**Funding 1 Loan Principal Deficiency Sub-Ledger** means the sub-ledger of the Funding 1 Principal Deficiency Ledger corresponding to the Funding 1 Loan in order to record any losses allocated to the Funding 1 Share of the Trust Property or the application of Funding 1 Available Principal Receipts in paying interest on the Funding 1 Loan and certain amounts ranking in priority thereto in accordance with the Funding 1 Pre-Acceleration Revenue Priority of Payments;

**Funding 1 Loan Provider** means Santander UK in its capacity as lender of the Funding 1 Loan pursuant to the Funding 1 Loan Agreement;

**Funding 1 Loan Tranches** means the AAA Loan Tranches, the AA Loan Tranches, the A Loan Tranches, the BBB Loan Tranches, the BB Loan Tranches and the NR Loan Tranches advanced by the Issuer or any New Issuer to Funding 1 pursuant to the Intercompany Loan Agreement or any New Intercompany Loan Agreement respectively and funded from proceeds received by the Issuer or such New Issuer respectively from the issue of a Series and Class of Notes or New Notes or from the issue of, or any Increase Amount under, a Class Z Variable Funding Note;

**Funding 1 Minimum Cash Accumulation Period** means the anticipated number of months required to accumulate sufficient Principal Receipts to pay the relevant Accumulation Amount;

**Funding 1 Post-Acceleration Priority of Payments** means the order of priority in which, following acceleration of the Intercompany Loan, the Cash Manager or, following enforcement of any Funding 1 Security, the Funding 1 Security Trustee, will apply all monies following an Intercompany Loan Event of Default and enforcement of the Funding 1 Security (as set out in part 3 of schedule 4 to the Funding 1 Deed of Charge);

**Funding 1 Power of Attorney** means the power of attorney in the form of schedule 5 to the Funding 1 Deed of Charge;

**Funding 1 Pre-Acceleration Principal Priority of Payments** means the order in which, prior to acceleration of the Intercompany Loan, the Cash Manager will apply the Funding 1 Available Principal Receipts on each Funding 1 Interest Payment Date, as set out in Part 2 of schedule 4 to the Funding 1 Deed of Charge;

**Funding 1 Pre-Acceleration Revenue Priority of Payments** means the order of priority in which Funding 1 Available Revenue Receipts will be applied prior to the acceleration of the Intercompany Loan as set out in part 1 of schedule 4 to the Funding 1 Deed of Charge;

**Funding 1 Principal Deficiency** means any losses arising in relation to a Loan in the Portfolio which causes a shortfall in the amount available to pay principal on the Loan Tranches;

**Funding 1 Principal Deficiency Ledger** means the ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement comprising the following sub-ledgers, 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 BB Principal Deficiency Sub-Ledger, the NR Principal Deficiency Sub-Ledger and the Funding 1 Loan Principal Deficiency Sub-Ledger (but which may comprise additional sub ledgers as required) in order to record any deficiency of principal in respect of payments due under an Intercompany Loan and the Funding 1 Loan Principal Deficiency Sub-Ledger;

**Funding 1 Principal Deficiency Sub-Ledger** means singly or together (as the context requires) 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 BB Principal Deficiency Sub-Ledger and the NR Principal Deficiency Sub-Ledger and the Funding 1 Loan Principal

Deficiency Sub-Ledger, and/or such additional principal deficiency sub-ledgers that may be established from time to time after the Initial Closing Date, as the case may be;

**Funding 1 Principal Funds** means, in respect of any Funding 1 Interest Payment Date:

- (a) the aggregate of the following amount for each Trust Calculation Period which has ended in the period from the previous Funding 1 Interest Payment Date to the most recent Trust Calculation Date, such amount being the product of:
  - (i) the Funding 1 Share Percentage or, as applicable, the Weighted Average Funding 1 Share (Principal) Percentage, as calculated at the start of the relevant Trust Calculation Period; and
  - (ii) the aggregate amount of Principal Receipts received by the Mortgages Trustee during the relevant Trust Calculation Period;
- (b) the amount credited to the Funding 1 Principal Deficiency Ledger on the relevant Funding 1 Interest Payment Date; and
- (c) the amount, if any, credited to the Funding 1 Principal Ledger pursuant to item (j) of the Funding 1 Pre-Acceleration Principal Priority of Payments on the immediately preceding Funding 1 Interest Payment Date;

**Funding 1 Principal Ledger** means the ledger on which receipts and payments of Funding 1 Principal Receipts will be recorded by the Cash Manager;

**Funding 1 Principal Receipts** means the Principal Receipts paid by the Mortgages Trustee to Funding 1 on each Distribution Date;

**Funding 1 Priority of Payments** means, as applicable, the Funding 1 Pre-Acceleration Principal Priority of Payments, the Funding 1 Pre-Acceleration Revenue Priority of Payments and/or the Funding 1 Post-Acceleration Principal Priority of Payments;

**Funding 1 Revenue Deficit Amount** means the amount of the shortfall between Funding 1 Available Revenue Receipts and the amounts required to pay items (a) to (d), (f), (h), (j) and (l) of the Funding 1 Pre-Acceleration Revenue Priority of Payments;

**Funding 1 Revenue Deficit Cure Amount** has the meaning given to it in clause 14.2(e)(ii) of the Mortgages Trust Deed;

**Funding 1 Revenue Ledger** means the ledger on which the Cash Manager will record all monies received by Funding 1 from the Mortgages Trustee on each Distribution Date other than the Funding 1 Principal Receipts, together with interest received on its Authorised Investments or pursuant to the Funding 1 Bank Account Agreement;

**Funding 1 Revenue Receipts** means the Funding 1 Share of Mortgages Trust Available Revenue Receipts received by Funding 1 from the Mortgages Trustee on each Distribution Date and (in respect of the Initial Closing Date) the £100 allocated and paid to Funding 1 in accordance with clause 10.3 of the Mortgages Trust Deed;

**Funding 1 Secured Creditors** means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, the Liquidity Facility Provider, the Funding 1 Account Bank, the Issuer, the Seller, the Mortgages Trustee, the Funding 1 Corporate Services Provider, the Mortgages Trustee Corporate Services Provider, the Holdings Corporate Services Provider, each Funding 1 Start-up

Loan Provider and such other creditors of Funding 1 who may accede to the Funding 1 Deed of Charge from time to time pursuant to a Deed of Accession (including, for the avoidance of doubt, any New Issuer and any New Funding 1 Secured Creditor);

**Funding 1 Secured Obligations** means any and all of the monies, obligations and liabilities and all other amounts due, owing, payable or owed by Funding 1 to the Funding 1 Secured Creditors under and pursuant to the Funding 1 Agreements and references to Funding 1 Secured Obligations includes references to any of them;

**Funding 1 Security** means the security granted by Funding 1 to the Funding 1 Security Trustee under and pursuant to the terms of the Funding 1 Deed of Charge;

**Funding 1 Security Period** means the period beginning on the date of the Funding 1 Deed of Charge and ending on the date on which all the Funding 1 Secured Obligations have been unconditionally and irrevocably paid and discharged in full;

**Funding 1 Security Trustee** means The Bank of New York Mellon, acting through its London Branch, a New York banking corporation, whose address is at One Canada Square, London E14 5AL or such other persons or companies as may from time to time be appointed as Funding 1 Security Trustee (or co-trustee) pursuant to the terms of the Funding 1 Deed of Charge;

**Funding 1 Share** means, prior to the first Trust Calculation Date, the Initial Funding 1 Share and thereafter means the amount as determined in accordance with clause 11.3 of the Mortgages Trust Deed;

**Funding 1 Share Ledger** means the ledger to be maintained by the Cash Manager in accordance with the Cash Management Agreement to record the current Funding 1 Share and the current Funding 1 Share Percentage;

**Funding 1 Share Percentage** means, prior to the first Trust Calculation Date, the Initial Funding 1 Share Percentage and thereafter means the percentage share of Funding 1 in the Trust Property from time to time as determined in accordance with clause 11.2 of the Mortgages Trust Deed;

**Funding 1 Start-up Loan Agreements** means the agreement entered into on the Initial Closing Date between Funding 1, the Funding 1 Start-up Loan Provider and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time), the Extraordinary Payment Holiday Start-up Loan Agreement and each similar agreement entered into by the same parties on any subsequent Closing Date;

**Funding 1 Start-up Loan Provider** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK in its capacities as provider of each Funding 1 Start-up Loan and/or (as the context requires) any New Funding 1 Start-up Loan Provider;

**Funding 1 Start-up Loans** means each Loan made by a Funding 1 Start-up Loan Provider under a Funding 1 Start-up Loan Agreement;

**Funding 1 Swap** means each swap documented under the Funding 1 Swap Agreement which enables Funding 1 to hedge against the possible variance between the Mortgages Trustee Variable Rate payable on the Variable Rate Loans, the fixed rates of interest payable on the Fixed Rate Loans and the rates of interest payable on the Tracker Loans and a LIBOR based rate for three-month Sterling deposits;

**Funding 1 Swap(s)** means any swap that is a LIBOR Funding 1 Swap or SONIA Funding 1 Swap, as the case may be;

**Funding 1 Swap Agreement** means each of the LIBOR Funding 1 Swap Agreement and the SONIA Funding 1 Swap Agreement;

**Funding 1 Swap Excluded Termination Amount** means, in relation to the Funding 1 Swap Agreement, an amount equal to:

- (a) the amount of any termination payment due and payable to the Funding 1 Swap Provider as a result of a Funding 1 Swap Provider Default or following a Funding 1 Swap Provider Downgrade Termination Event;

less

- (b) the amount, if any, received by Funding 1 from a replacement swap provider upon entry by Funding 1 into an agreement with such replacement swap provider to replace the Funding 1 Swap Agreement which has terminated as a result of such Funding 1 Swap Provider Default or following the occurrence of such Funding 1 Swap Provider Downgrade Termination Event;

**Funding 1 Swap Interest Payment Date** means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day);

**Funding 1 Swap Provider** means Santander UK acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement and/or any replacement Funding 1 Swap Provider appointed in accordance with the Funding 1 Swap Agreement;

**Funding 1 Swap Provider Default** means the occurrence of an Event of Default (as defined in the relevant Funding 1 Swap Agreement) where the Funding 1 Swap Provider is the Defaulting Party (as defined in the relevant Funding 1 Swap Agreement);

**Funding 1 Swap Provider Downgrade Termination Event** means the occurrence of an Additional Termination Event (as defined in the Funding 1 Swap Agreement) following the failure by the Funding 1 Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the Funding 1 Swap Agreement;

**Funding 1 Transaction Account** means the account in the name of Funding 1 held with the Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such other account as may for the time being be in place with the prior consent of the Funding 1 Security Trustee and designated as such;

**Funding 1 Transaction Account Mandate** means the bank account mandate between Funding 1 and Account Bank A relating to the operation of the Funding 1 Transaction Account;

**Funding 1 Transaction Documents** has the same meaning as Funding 1 Agreements;

**Funding Companies** means Funding 1 and each Further Funding Company (if any);

**Funding Company Initial Closing Date** means the date that the relevant Funding Company enters into a New Intercompany Loan Agreement or (directly or indirectly) raises any other indebtedness;

**Funding Company Interest Payment Dates** means the Funding 1 Interest Payment Date and the interest payment date of each Further Funding Company;

**Funding Company Interest Periods** means the Funding 1 Interest Period and the interest period of each Further Funding Company;

**Funding Company Loan Tranche** means any Loan Tranche made to a Funding Company;

**Funding Deed of Charge** means the Funding 1 Deed of Charge and each Further Funding Company Deed of Charge (if any);

**Funding Proportion** has the meaning given in clause 11.6 of the Mortgages Trust Deed;

**Funding Security Trustees** means the Funding 1 Security Trustee and each Further Funding Security Trustee (if any);

**Further Advance** means, in relation to a Loan, any advance of further money to the relevant Borrower following the making of the Initial Advance which is secured by the same Mortgage as the Initial Advance but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage and does not include a Flexible Loan Drawing;

**Further Contribution** means a Contribution (excluding any Initial Contribution or Deferred Contribution paid by Funding 1, but including a Refinancing Contribution and a Seller Contribution) by way of cash payable pursuant to clause 4 of the Mortgages Trust Deed by a Beneficiary to the Mortgages Trustee to increase the share of that Beneficiary in the Trust Property;

**Further Contribution Date** has the meaning given in clause 11.1(a)(iii) of the Mortgages Trust Deed;

**Further Funding Company** means any funding entity (other than Funding 1) established in the future by Holdings;

**Further Funding Company Cash Accumulation Period** means the anticipated period required by a Further Funding Company to accumulate sufficient funds to repay a Cash Accumulation Loan Tranche made to the relevant Further Funding Company (ending when the Further Funding Company has accumulated an amount equal to that Cash Accumulation Loan Tranche, taking into account its obligation to accumulate for any other Cash Accumulation Loan Tranche before, or at the same time as, the relevant Cash Accumulation Loan Tranche);

**Further Funding Company Deed of Charge** means any deed of charge (other than the Funding 1 Deed of Charge) entered into after the Initial Closing Date between, *inter alios*, the Issuer, a Further Funding Company and a Further Funding Security Trustee pursuant to which such Further Funding Company creates security over all of its assets in favour of such Further Funding Security Trustee;

**Further Funding Company Proportion** has the meaning given in clause 11.6 of the Mortgages Trust Deed;

**Further Funding Company Share** means the amount as determined in accordance with clause 11.5 of the Mortgages Trust Deed;

**Further Funding Company Share Ledger** means the ledger to be maintained by the Cash Manager in accordance with the Cash Management Agreement to record the relevant Further Funding Company's current Further Funding Company Share and the current Further Funding Company Share Percentage;

**Further Funding Company Share Percentage** means, in relation to each Further Funding Company, the Initial Further Funding Company Share Percentage and thereafter means the percentage share of such Further Funding Company in the Trust Property from time to time, as determined in accordance with clause 11.5 of the Mortgages Trust Deed;

**Further Funding Security Trustees** means any security trustee (other than the Funding 1 Security Trustee) appointed under any Further Funding Company Deed of Charge;

**Further Loan Tranche** means any Loan Tranches made by Further Issuers to Further Funding Companies;

**Future Trust Property** means any or all New Portfolios that have been or will be sold to or held on trust for the Mortgages Trustee on any Sale Date;

**General Reserve Fund** means the reserve fund of Funding 1 which was credited on the Initial Closing Date with certain amounts of the proceeds of the Start-up Loan and which will be credited thereafter, *inter alia*, in accordance with the terms of the Funding 1 Pre-Acceleration Revenue Priority of Payments;

**General Reserve Ledger** means the ledger established and maintained by the Cash Manager pursuant to the Cash Management Agreement to record the amount credited to the General Reserve Fund from the proceeds of a portion of each Funding 1 Start-up Loan and other withdrawals and deposits or credits in respect of the General Reserve Fund;

**General Reserve Required Amount** means, as at the Initial Closing Date, the sum of £42,592,000 and thereafter shall mean the amount specified as such in the most recent Final Terms;

**Help to Buy Loans** means Loans which meet the criteria published by the Homes and Communities Agency from time to time;

**High Loan-to-Value Fee** means any fee incurred by a Borrower as a result of taking out a Loan with an LTV ratio in excess of a certain percentage specified in the Offer Conditions;

**Holding Company** means a holding company within the meaning of section 1159 of the Companies Act 2006;

**Holdings** means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX;

**Holdings Corporate Services Fee Letter** means the letter dated the date of the Funding 1 Corporate Services Agreement between, *inter alios*, Holdings, Funding 1, the Funding 1 Security Trustee and the Holdings Corporate Services Provider, setting out the amount of fees payable to the Holdings Corporate Services Provider by Funding 1;

**Holdings Loan Agreement** means the loan agreement dated 14 November 2006 between Alliance & Leicester Plc and Holdings pursuant to which Alliance & Leicester Plc granted Holdings a sterling term loan facility in an aggregate amount equal to £12,501 for the purposes of capitalising Funding 1 and the Issuer;

**ICTA** means the Income and Corporation Taxes Act 1988;

**In Arrears** means, in respect of a Mortgage Account, that one or more Monthly Payments in respect of such Mortgage Account have become due and unpaid by a Borrower (for the avoidance of doubt, this definition shall not apply to the provisions of clause 8.7 of the Mortgage Sale Agreement and the definition “**In Arrears**” for the purposes of those clauses of the Mortgage Sale Agreement has the meaning given in such clauses);

**Increase Amount** has the meaning given to that term in Condition 5.9;



**Increase Date** has the meaning given to that term in clause 2 of the Intercompany Loan Agreement;

**Initial Advance** means, in respect of any Loan, the original principal amount advanced by the Seller including any retention(s) advanced to the relevant Borrower after the date of the Mortgage but excluding any (a) High Loan-to-Value Fee, (b) Further Advance, (c) Flexible Loan Drawing and (d) Early Repayment Charge relating to any such Loan;

**Initial Closing Date** means 28 November 2006;

**Initial Closing Trust Property** means the Initial Portfolio sold by the Seller to the Mortgages Trustee on the Initial Closing Date;

**Initial Contribution** means a Contribution by way of cash payable, pursuant to clause 4 of the Mortgages Trust Deed, by a Funding Company in respect of any Trust Property sold to or held on trust for the Mortgages Trustee at the time of such sale for the purposes of enabling the Mortgages Trustee to fund the payment of the Initial Purchase Price owed by the Mortgages Trustee to the Seller, pursuant to the terms of the Mortgage Sale Agreement, in respect of any Loans and their Related Security sold by the Seller to the Mortgages Trustee from time to time;

**Initial Funding 1 Interest Payment Dates** means the dates which correspond with the Quarterly Interest Payment Dates of the Notes (other than the Monthly Payment Notes) issued by the Issuer on the Initial Closing Date;

**Initial Funding 1 Share** has the meaning given in clause 10 of the Mortgages Trust Deed;

**Initial Funding 1 Share Percentage** has the meaning given in clause 10 of the Mortgages Trust Deed;

**Initial Loan Tranche Margin** means, in respect of any Loan Tranche, the margin per annum specified as such in the applicable Loan Tranche Supplement;

**Initial Loans** means the portfolio of residential first mortgage loans sold by the Seller to the Mortgages Trustee on the Initial Closing Date pursuant to the Mortgage Sale Agreement;

**Initial Portfolio** means the Provisional Initial Portfolio other than any Loan and its Related Security redeemed in full on or before the Initial Closing Date (but, for the avoidance of doubt, including any relevant CCA Mortgages);

**Initial Purchase Price** means the cash sum paid or (as the context requires) payable by the Mortgages Trustee to the Seller in consideration for the sale of a Portfolio to the Mortgages Trustee pursuant to the terms of the Mortgage Sale Agreement, funded by an Initial Contribution;

**Initial Related Security** means the Related Security sold by the Seller to the Mortgages Trustee on the Initial Closing Date pursuant to the Mortgage Sale Agreement;

**Initial Seller Share** has the meaning given in clause 10 of the Mortgages Trust Deed;

**Initial Seller Share Percentage** has the meaning given in clause 10 of the Mortgages Trust Deed;

**Initial Trust Property** means the sum of £100 that Sanne Trustee Services Limited settled on the Mortgages Trust pursuant to clause 2.1 of the Mortgages Trust Deed;

**Interpolated Benchmark** with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2)

the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

**Insolvency Act** means the Insolvency Act 1986, as amended from time to time;

**Insolvency Regulation** means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (as incorporated into English law and amended by Insolvency (Amendment) (EU Exit) Regulations 2019, SI 2019/146);

**Insolvency Event** means, in respect of the Mortgages Trustee, any Funding Company, the Issuer, any Further Issuer, any New Issuer, the Seller, the Servicer, the Cash Manager and/or the Issuer Cash Manager (each, for the purposes of this definition, a **relevant entity**):

- (a) an order is made or an effective resolution passed for the winding up of the relevant entity;
- (b) the relevant entity ceases or threatens to cease to carry on its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (as amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent; or
- (c) proceedings (including, but not limited to, presentation of an application for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) are initiated against the relevant entity under any applicable liquidation, administration, reorganisation (other than a reorganisation where the relevant entity is solvent) or other similar laws, save where such proceedings are being contested in good faith; or an administrative or other receiver, administrator or other similar official is appointed in relation to the whole or any substantial part of the undertaking or assets of the relevant entity or the appointment of an administrator takes effect; or a distress, execution or diligence or other process is enforced upon the whole or any substantial part of the undertaking or assets of the relevant entity and in any of the foregoing cases it is not discharged within 15 London Business Days; or if the relevant entity initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness;

**Insurance Contracts** means any insurance contracts from time to time which relate to the Loans and their Related Security;

**Insurance Policies** means the Buildings Policies and **Insurance Policy** shall be construed accordingly;

**Intercompany Loan** means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement;

**Intercompany Loan Acceleration Notice** means a notice served by the Issuer (a) on Funding 1 following the occurrence of an Intercompany Loan Event of Default, pursuant to the Intercompany Loan Agreement and/or following an event of default under a New Intercompany Loan (where applicable); and/or (b) on a Further Funding Company following an event of default under a New Intercompany Loan;

**Intercompany Loan Agreement** means the loan agreement and the Loan Tranche Supplement entered into on the Initial Closing Date between the Issuer, Funding 1, the Funding 1 Security Trustee, the Issuer Security Trustee and the Agent Bank (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) together with each subsequent Loan Tranche Supplement entered into on each subsequent Closing Date between the Issuer, Funding 1, the Funding 1 Security Trustee, the Issuer Security Trustee and the Agent Bank (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Intercompany Loan Event of Default** means the occurrence of an event of default as specified in clause 15 of the Intercompany Loan Agreement;

**Intercompany Loan Facility** means the facility provided to Funding 1 by the Issuer pursuant to which the Issuer shall make Loan Tranches available to Funding 1 in accordance with the terms of the Intercompany Loan Agreement;

**Interim Trust Calculation Date** has the meaning given in clause 11.1(b) of the Mortgages Trust Deed;

**Interim Trust Calculation Period** has the meaning given in clause 11.1(b) of the Mortgages Trust Deed;

**Irrecoverable VAT** means any amount in respect of VAT incurred by a party to the Transaction Documents (for the purposes of this definition, a **Relevant Party**) to the extent that the Relevant Party does not or will not receive and retain a credit or repayment of such VAT as input tax (as that expression is defined in section 24(1) of the Value Added Tax Act 1994) for the prescribed accounting period (as that expression is used in section 25(1) of the Value Added Tax Act 1994) to which such input tax relates;

**Issuer** means Fosse Master Issuer plc (registered number 5925693), a public limited company incorporated under the laws of England and Wales, whose registered office is at 1 Bartholomew Lane, London, EC2N 2AX or, as the context may require, any New Issuer;

**Issuer Account Bank** means, in relation to the Issuer, the bank at which the Issuer's Accounts are maintained pursuant to the Issuer Bank Account Agreement;

**Issuer Master Definitions and Construction Schedule** means, in relation to the Issuer, the Issuer Master Definitions and Construction Schedule signed on or about the Initial Closing Date, as the same may be amended, restated and supplemented from time to time;

**Issuer Notes** means the Notes (as defined in the Issuer Master Definitions and Construction Schedule) of the Issuer;

**Issuer Security Trustee** means The Bank of New York Mellon, acting through its London Branch, a New York banking corporation, whose address is at One Canada Square, London E14 5AL or such other person or companies as may from time to time be appointed as Issuer Security Trustee (or co-trustee) pursuant to the terms of the Issuer Deed of Charge;

**Issuer Swap Agreements** means, in respect of a Series and Class of Notes, the ISDA master agreement, schedules and confirmations relating to the currency and/or interest rate swaps to be entered into on or prior to each Closing Date between the Issuer, the applicable Issuer Swap Provider and the Issuer Security Trustee in connection with the Notes (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Issuer Swap Provider** means in respect of a Series and Class of Notes, the issuer swap provider identified in the relevant drawdown prospectus;

**Law** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction and any present or future directive, regulation, guideline, practice, concession, request or requirement whether or not having the force of law issued by any governmental body, agency or department or any central bank or other fiscal, monetary, taxation, regulatory, self regulatory or other authority or agency;

**LCR Regulation** means Regulation (EU) 575/2013 of the European Parliament and the Council with regard to the liquidity coverage requirement for Credit Institutions as supplemented by the European Commission adopted text of the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing (or, if different, the equivalent provisions in such approved version of such Commission Delegated Regulation);

**Legal Opinions** means the legal opinions delivered by:

- (a) Allen & Overy LLP (as to English law);
- (b) Allen & Overy LLP (as to UK tax);
- (c) Allen & Overy LLP FSA opinion;
- (d) Linklaters LLP 10b-5 letter;
- (e) Linklaters LLP US Securities law opinion;
- (f) Shepherd and Wedderburn LLP (as to Scots law);
- (g) Allen & Overy LLP (as to U.S. Securities law, US Tax and ERISA);
- (h) Allen & Overy LLP 10b-5 letter;
- (i) Ashurst LLP (as to English law);
- (j) Cleary Gottlieb Steen & Hamilton LLP (as to U.S. Securities law, US Tax and ERISA),

on the Initial Closing Date (with the exception of the opinions delivered by Ashurst LLP and Cleary Gottlieb Steen & Hamilton LLP) and (as applicable) on each subsequent Closing Date;

**Legacy Systems Loans** has the meaning given in Clause 8.23 of the Mortgage Sale Agreement;

**Lending Criteria** means the criteria contained in schedule 4 to the Mortgage Sale Agreement or such other criteria as would be acceptable to a Reasonable, Prudent Mortgage Lender;

**LIBOR** means the London inter-bank offered rate for deposits in the relevant currency;

**LIBOR Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto entered into on the Initial Closing Date between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the LIBOR Funding 1 Swaps;

**LIBOR Funding 1 Swap(s)** means any swap documented under the LIBOR Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to LIBOR-linked Intercompany Loans arising from the possible variance between the rates of interest payable on the Variable Rate Loans, the fixed rates of interest payable on the Fixed Rate Loans and the rates of interest payable on the Tracker Loans (as applicable) and a sterling LIBOR based rate for three-month sterling deposits;

**Liquidity Reserve Fund** means a liquidity reserve fund established on the occurrence of certain ratings downgrades of the Seller to meet interest and principal shortfalls (in limited circumstances) on certain of the Loan Tranches;

**Liquidity Reserve Fund Rating Event** means, where there are Class A Notes and/or Class B Notes then outstanding, the counterparty risk assessment assigned to the Seller by Moody's is less than A3(cr) or the Seller's long-term, unsecured, unsubordinated and unguaranteed debt obligations are rated below A- by Fitch (unless the relevant Rating Agency confirms that its then current ratings of the Notes will not be adversely affected as a consequence of such assessment or rating of the Seller);

**Liquidity Reserve Fund Required Amount** means, on any Funding 1 Interest Payment Date, an amount equal to the excess (if any) of 3 per cent. of the aggregate outstanding balance of the Notes on that date over the aggregate of amounts standing to the credit of the General Reserve Fund on that Funding 1 Interest Payment Date;

**Liquidity Reserve Ledger** means a ledger maintained by the Cash Manager to record the withdrawals and deposits in respect of the Liquidity Reserve Fund;

**Loan** means each loan referenced by its loan identifier number (as specified in the document stored upon the CD-ROM which accompanied Part 1 of Appendix 1 to the Mortgage Sale Agreement dated 28 November 2006 or the schedule to any New Portfolio Notice and, for the avoidance of doubt, including any such loan subject to any Scottish Declaration of Trust) and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Terms by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same;

**Loan Repurchase Notice** means a notice in, or in substantially, the form set out in schedule 6 to the Mortgage Sale Agreement;

**Loan Tranche** means the Funding 1 Loan Tranches together with any Further Loan Tranches and any New Loan Tranches;

**Loan Tranche Interest Amount** means the amount of interest payable under any Loan Tranche Supplement for the relevant Funding 1 Interest Period;

**Loan Tranche Interest Commencement Date** means, in respect of any Loan Tranche, the Drawdown Date or such other date as may be specified in the applicable Loan Tranche Supplement;

**Loan Tranche Interest Determination Date** means the first day of each Funding 1 Interest Period;

**Loan Tranche Interest Reset Date** means, in respect of a Loan Tranche, the dates specified as such in the applicable Loan Tranche Supplement;

**Loan Tranche Notice** means, in respect of a Loan Tranche under the Intercompany Loan Agreement, a notice delivered by Funding 1 to, *inter alios*, the Issuer in substantially the form set out in schedule 2 to the Intercompany Loan Agreement requesting a drawing under the Intercompany Loan Agreement;

**Loan Tranche Payment Dates** means (i) in respect of a Bullet Loan Tranche, the Bullet Repayment Date, (ii) in respect of a Scheduled Amortisation Loan Tranche, the Scheduled Repayment Dates specified in the applicable Final Terms and each Funding 1 Interest Payment Date following the last such specified Scheduled Repayment Date, and (iii) in respect of a Pass-Through Loan Tranche, the Funding 1 Interest Payment Dates in each case specified in the applicable Loan Tranche Supplement or, following the occurrence of a Pass-Through Trigger Event, the dates corresponding to the Interest Payment Dates for the corresponding Notes;

**Loan Tranche Rating** means the designated rating of each Loan Tranche which reflects the rating (or lack thereof) assigned to the corresponding class of Notes (where, for the avoidance of doubt, the designated Loan Tranche Rating of an NR Loan Tranche represents the fact that no ratings will be assigned to the corresponding Class Z Notes by the Rating Agencies on the relevant Closing Date) used to fund each such Loan Tranche on the relevant Closing Date of that Loan Tranche;

**Loan Tranche Supplement** means, in relation to any Loan Tranche, the document in substantially the form set out in schedule 3 to the Intercompany Loan Agreement between, amongst others, Funding 1 and the Issuer recording the principal terms of such Loan Tranche and, in relation to any New Loan Tranche made available to Funding 1 and/or a Further Funding Company, the document between, amongst others, Funding 1, the relevant Further Funding Company and the New Issuer recording the principal terms of such New Loan Tranche;

**Loan Warranties** means the Representations and Warranties;

**London Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**London Stock Exchange** means the London Stock Exchange plc;

**Losses** means all realised losses on the Loans in the Portfolio;

**Losses Ledger** means the ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the Losses on the Loans in the Portfolio;

**LTV, LTV Ratio or Loan-To-Value Ratio** means the ratio (expressed as a percentage) of the Current Balance of a Loan to the value of the Property securing that Loan;

**LTV Test** means a test which assigns a credit enhancement value to each Loan in the Portfolio based on its current LTV Ratio and the amount of mortgage indemnity cover on that Loan. The weighted average credit enhancement value for the Portfolio is then determined;

**Mandate** means the Funding 1 Transaction Account Mandate, the Funding 1 GIC Account Mandate, the Funding 1 Collateral Account Mandate and/or the Mortgages Trustee GIC Account Mandate, as the case may be;

**Master Definitions and Construction Schedule** means this schedule as amended, restated, varied, supplemented, replaced and/or novated from time to time and shall include any and all Accession Agreements (as defined herein);

**Material Adverse Effect** means a material adverse effect on:

- (a) the business or financial condition of Funding 1;
- (b) the ability of Funding 1 to perform its obligations under any Funding 1 Agreement; or

- (c) the validity or enforceability of any Funding 1 Agreement;

**Maximum Advance Amount** has the meaning given in clause 2.1 of the Extraordinary Payment Holiday Start-up Loan Agreement;

**Maximum Loan Maturity Date** means the later of:

- (a) October 2052; and
- (b) the month which falls two years prior to the earliest Final Maturity Date of any outstanding Notes (other than any money market notes for the purposes of Rule 2a-7 under the Investment Company Act);

**MCOB** means the FCA's Mortgages and Home Finance: Conduct of Business sourcebook;

**MH/CP Documentation** means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 or (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or the Property secured thereby;

**Minimum Ratings** means the requirement for the Seller to maintain:

- (a) long term, unsecured and unguaranteed credit ratings from Moody's of at least Baa3;
- (b) short-term unsecured, unsubordinated and unguaranteed credit ratings from S&P of at least A-3; and
- (c) a long-term "Issuer Default Rating" by Fitch of at least BBB-;

**Minimum Seller Share** means the amount included in the current Seller Share which is calculated in accordance with clause 12.2 of the Mortgages Trust Deed;

**Minimum Yield** means the weighted average of (a) the Weighted Average SONIA Rate calculated on the immediately preceding Interest Payment Date (in respect of the then current Interest Period) plus 0.75 per cent. (or any higher percentage specified in the most recent Final Terms) and (b) LIBOR for three-month sterling deposits calculated on the immediately preceding Interest Payment Date plus 0.75 per cent. (or any higher percentage specified in the most recent Final Terms), weighted by the outstanding Loan Tranches advanced under the Intercompany Loan Agreement that reference SONIA and LIBOR respectively;

**Money Market Notes** means a Series and Class of Rule 144A Notes issued by the Issuer and designated as money market notes in the applicable Final Terms;

**Monthly CPR** means, on any Trust Calculation Date, the total Principal Receipts received during the immediately preceding Trust Calculation Period divided by the aggregate Current Balance of the Loans comprised in the Trust Property calculated on the previous Trust Calculation Date in respect of the previous Trust Calculation Period;

**Monthly Payment** means the amount (including interest and principal) which the relevant Mortgage Terms require a Borrower to pay on each Monthly Payment Day in respect of that Borrower's Loan;

**Monthly Payment Day** or **Monthly Payment Date** means the date on which interest (and principal in relation to a repayment mortgage) is due to be paid by a Borrower on a Loan or, if any such day is not a London Business Day, the next following London Business Day;

**Monthly Payment Notes** means either Money Market Notes or any other Notes in respect of which monthly Interest Payment Dates are specified in the applicable Final Terms;

**Monthly Report** means the monthly report provided pursuant to clause 12.4(c) of the Servicing Agreement.

**Moody's** means Moody's Investors Service Limited and includes any successor to its rating business;

**Moody's Portfolio Variation Test** means the calculation methodology provided by Moody's to the Servicer from time to time for the purpose of calculating the Moody's Portfolio Variation Test Value;

**Moody's Portfolio Variation Test Value** means a certain percentage resulting from the application of the Moody's Portfolio Variation Test;

**Mortgage** means a first fixed charge by way of legal mortgage (in relation to English Loans and Northern Irish Loans) or a first ranking standard security (in relation to Scottish Loans) sold by the Seller to the Mortgages Trustee pursuant to the Mortgage Sale Agreement, which secures the repayment of the relevant Loan or Loans;

**Mortgage Account** means a Loan secured on a Property forming a single mortgage account;

**Mortgage Conditions** or **Loan Conditions** means the terms and conditions applicable to a Loan as contained in the Standard Documentation provided to Borrowers from time to time;

**Mortgage Sale Agreement** means the mortgage sale agreement dated the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of the Initial Portfolio and the sale of any New Portfolio to the Mortgages Trustee from time to time, as amended, restated, varied, supplemented and/or restated from time to time;

**Mortgage Terms** means all the terms and conditions applicable to a Loan, including without limitation the applicable Mortgage Conditions and Offer Conditions;

**Mortgagee** means the person for the time being entitled to exercise the rights of the mortgagee or heritable creditor (as applicable) under a Mortgage;

**Mortgages Trust** means the bare trust of the Trust Property as to both capital and income held by the Mortgages Trustee on trust absolutely for Funding 1 (as to the Funding 1 Share and as to the allocations to Funding 1 of Mortgages Trust Available Revenue Receipts) for each Further Funding Company (as to its respective Further Funding Company Share and as to the allocations to that Further Funding Company of Mortgages Trust Available Revenue Receipts), and the Seller (as to the Seller Share and as to the allocations to the Seller of Mortgages Trust Available Revenue Receipts) pursuant to the terms of the Mortgages Trust Deed as may be supplemented, amended, restated and/or novated from time to time;

**Mortgages Trust Available Principal Receipts** means the Principal Receipts on the Loans and (without double counting) the proceeds of any Authorised Investments made by or on behalf of the Mortgages Trustee from such Principal Receipts (but excluding any interest or other amount received in respect thereof in an amount greater than the amount of the Principal Receipts invested therein), available to the Mortgages Trustee to distribute on the next Distribution Date in accordance with clause 14 of the Mortgages Trust Deed;

**Mortgages Trust Available Revenue Receipts** means an amount equal to the aggregate of the following amounts, as calculated on each Trust Calculation Date in respect of the immediately preceding Trust Calculation Period:



- (a) Revenue Receipts on the Loans (but excluding Principal Receipts);
- (b) the proceeds of Authorised Investments made by or on behalf of the Mortgages Trustee (but excluding the proceeds of such Authorised Investments which are treated as Mortgages Trust Available Principal Receipts and without double counting amounts referred to in paragraph (a) above;
- (c) interest received or payable to the Mortgages Trustee on the Mortgages Trustee GIC Account; and
- (d) the amount of any Seller Contribution received by the Mortgages Trustee;

*less*

- (e) Third Party Amounts, which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account;

**Mortgages Trust Deed** means the mortgages trust deed entered into on the Initial Closing Date between the Mortgages Trustee, the Funding Companies, the Seller and Sanne Trustee Services Limited on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trust Principal Priority of Payments** means the order in which the Cash Manager applies Principal Receipts on the Loans on each Distribution Date, as set out in clause 14 of the Mortgages Trust Deed;

**Mortgages Trust Revenue Priority of Payments** means the order in which the Cash Manager applies the Mortgages Trust Available Revenue Receipts on each Distribution Date, as set out in clause 13 of the Mortgages Trust Deed;

**Mortgages Trustee** means Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands, or (on and after 29 April 2016) Fosse Trustee (UK) Limited (registered number 07210492), 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;

**Mortgages Trustee Account Bank** means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being, as at the date hereof, Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may choose with the prior written approval of the Funding Security Trustees and the prior written consent of the Beneficiaries in accordance with the Mortgages Trustee Bank Account Agreement);

**Mortgages Trustee Bank Account Agreement** means the agreement entered into on the Initial Closing Date between the Mortgages Trustee Account Bank, the Mortgages Trustee, the Cash Manager, Funding 1 and the Funding 1 Security Trustee which governs the operations of the Mortgages Trustee GIC Account (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee Collection Account Amounts** means all amounts from time to time standing to the credit of the Collection Account to the extent that such amounts represent payments into the Collection Account of sums derived or resulting from mortgage loans originated by the Seller which

have been sold to or held on trust for the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**Mortgages Trustee Corporate Services Agreement** means the agreement dated 29 April 2016 and made between the Mortgages Trustee Corporate Services Provider, the Mortgages Trustee and the Funding 1 Security Trustee, the Note Trustee and the Issuer Security Trustee, which governs the provision of corporate services by the Mortgages Trustee Corporate Services Provider to the Mortgages Trustee and sets out the amount of fees payable to the Mortgages Trustee Corporate Services Provider by the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Mortgages Trustee Corporate Services Fee Letter** means the letter dated the date of the Mortgages Trustee Corporate Services Agreement between the Mortgages Trustee and the Mortgages Trustee Corporate Services Provider;

**Mortgages Trustee Corporate Services Provider** means Intertrust Management Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement;

**Mortgages Trustee GIC Account** means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place with the prior consent of the Funding 1 Security Trustee which is subject to a guaranteed rate of interest;

**Mortgages Trustee GIC Account Mandate** means the bank account mandate between the Mortgages Trustee and the Mortgages Trustee Account Bank relating to the operation of the Mortgages Trustee GIC Account;

**Mortgages Trustee GIC Balance** means, on any day during a Funding Company Interest Period, the amount standing to the credit of the Mortgages Trustee GIC Account as at the opening of business on such day;

**Mortgages Trustee GIC Rate** means the rate of interest accruing on the balance standing to the credit of the Mortgages Trustee GIC Account equal to a rate of 0.10 per cent. per annum below the Bank of England Base Rate;

**Mortgages Trustee Ledgers** means the Principal Ledger, the Revenue Ledger, the Losses Ledger, the Funding 1 Share Ledger, the Seller Share Ledger and the Contributions Ledger;

**New Beneficiary** means any Further Funding Company that accedes to the Mortgages Trust Deed in accordance with clause 17 thereof;

**New Bullet Loan Tranche** means any loan tranche made under a New Intercompany Loan Agreement where the full amount of principal on such loan tranche is scheduled for repayment on a single interest payment date;

**New Closing Date** means the date of any new issue of New Notes by the Issuer or any New Issuer as the case may be;

**New Funding 1 Secured Creditor** means such other creditor of Funding 1 who accedes to the Funding 1 Deed of Charge from time to time including pursuant to a Deed of Accession;

**New Funding 1 Start-up Loan** means a loan issued to Funding 1 under a New Start-up Loan Agreement;

**New Funding 1 Start-up Loan Agreement** means a loan agreement under which the Funding 1 Start-up Loan Provider or a New Start-up Loan Provider shall provide Funding 1 with a New Start-up Loan for the purposes of meeting the costs of the New Issue and/or further funding the Reserve Fund, if required, or increasing Funding 1 Available Revenue Receipts following an Extraordinary Payment Holiday Event (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**New Funding 1 Start-up Loan Provider** means an entity who shall supply a New Start-up Loan to Funding 1 from time to time, pursuant to a New Funding 1 Start-Up Loan Agreement;

**New Funding 1 Swap** means a new swap under the existing Funding 1 Swap Agreement or a New Funding 1 Swap Agreement;

**New Funding 1 Swap Agreement** means an agreement documenting a New Funding 1 Swap entered into by Funding 1 and a New Funding 1 Swap Provider in connection with New Loan Tranches (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**New Funding 1 Swap Provider** means the swap provider under a New Funding 1 Swap Agreement;

**New Intercompany Loan** means a loan of the proceeds of any issue of New Notes by a New Issuer after the Initial Closing Date, such loan being advanced to Funding 1 and/or any Further Funding Company by a New Issuer pursuant to the terms of a New Intercompany Loan Agreement;

**New Intercompany Loan Agreement** means the intercompany loan agreement and the Loan Tranche Supplement entered into on a Closing Date between, *inter alios*, a New Issuer, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**New Issuer** means any company, other than the Issuer, which is established after the Initial Closing Date to issue New Notes where all or part of the proceeds of the issue of New Notes will be on-lent to Funding 1 and/or a Further Funding Company;

**New Issuer Master Definitions and Construction Schedule** means the master definitions and construction schedule of a New Issuer signed in connection with any New Notes;

**New Issuer Swap Provider** means any entity who enters into a hedging arrangement with a New Issuer;

**New Issuer Transaction Document** means any document or agreement to which any New Issuer is a party (together the **New Issuer Transaction Documents**);

**New Loan Tranche** means an advance of funds by the Issuer or a New Issuer (as the case may be) to Funding 1 or any Further Funding Company under the terms of a New Intercompany Loan Agreement, which advance is funded by a corresponding class of New Notes;

**New Loan Type** means on any date a type of Loan that is materially different from the types of Loans comprised in the Portfolio;

**New Loans** means Loans, other than the Initial Loans, which the Seller may from time to time after the Initial Closing Date sell to or hold on trust for the Mortgages Trustee pursuant to the Mortgage Sale Agreement;

**New Master Definitions and Construction Schedule** means the master definitions and construction schedule of Funding 1 signed in connection with New Loan Tranches;

**New Notes** means any new notes issued by the Issuer and any notes of any New Issuer (as applicable);

**New Portfolio** means, in each case, the portfolio of Loans and their Related Security (other than any Loans and their Related Security which have been redeemed in full prior to the Sale Date or which do not otherwise comply with the terms of clause 4 of the Mortgage Sale Agreement as at the Sale Date), particulars of which are set out in the relevant New Portfolio Notice or in a document stored upon electronic media (including, but not limited to, a CD-ROM), and all right, title, interest and benefit of the Seller in and to:

- (a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears) and other sums due or to become due in respect of such Loans and their Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on all covenants and any undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Terms;
- (b) subject where applicable to the subsisting rights of redemption of Borrowers, all Deeds of Consent, Deeds of Postponement, MH/CP Documentation and all third party guarantees and any other collateral security for the repayment of the relevant New Loans secured by the relevant New Mortgages;
- (c) the right to exercise all the powers of the Seller in relation thereto;
- (d) all the estate and interest in the relevant Properties vested in the Seller;
- (e) each relevant Certificate of Title and Valuation Report and any right of action of the Seller against any solicitor, licensed conveyancer, qualified conveyancer, Valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with such Loans and their Related Security, or any part thereof or affecting the decision of the Seller to make or offer to make any such Loan or part thereof;
- (f) all rights, titles and interests of the Seller (both present and future) (including, without limitation the proceeds of all claims to which the Seller is entitled) under the Insurance Policies.
- (g) all proceeds from the enforcement of such Loans and their Related Security;

**New Portfolio Notice** means a notice in the form set out in schedule 10 to the Mortgage Sale Agreement served in accordance with the terms of the Mortgage Sale Agreement;

**New Rated Notes** means New Notes which are Rated Notes;

**New Related Security** means the Related Security for any New Loans (including any Mortgages) sold to or held on trust for the Mortgages Trustee by the Seller;

**New Trust Property** means any New Loans and their Related Security to be sold to or held on trust for the Mortgages Trustee by the Seller;

**New York Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York;

**Non-Asset Trigger Event** means, on a Trust Calculation Date:

- (a) the occurrence of an Insolvency Event in relation to the Seller on or before that Trust Calculation Date;
- (b) the role of the Seller as Servicer under the Servicing Agreement is terminated and a new Servicer is not appointed within 60 days of such termination;
- (c) the current Seller Share is less than the Minimum Seller Share on two consecutive Trust Calculation Dates (in each case by reference to the most recent Trust Calculation Date); or
- (d) as at the Trust Calculation Date immediately preceding the relevant Trust Calculation Date, the aggregate Outstanding Principal Balance of Loans comprising the Trust Property is less than the required loan balance amount specified in the most recent Final Terms and this has not been remedied by the relevant Trust Calculation Date;

**Non Bullet Funding 1 Principal Amounts** means all Mortgages Trust Available Principal Receipts distributed to Funding 1 on each Distribution Date under clause 11.1 of the Mortgages Trust Deed (other than amounts allocated to the General Reserve Fund, the Liquidity Reserve Fund (comprising item (b) of the definition of Cash Accumulation Requirement) or to repay any Funding 1 Liquidity Facility Agreement and excluding the Bullet Accumulation Liability due in respect of any Bullet Loan Tranche which is within a Cash Accumulation Period);

**Note Acceleration Notice** means, in relation to the Issuer or any New Issuer (as the case may be), a Note Acceleration Notice served by the relevant Note Trustee following a Note Event of Default in relation to the Notes issued by the Issuer or that New Issuer pursuant to the applicable Terms and Conditions thereof;

**Note Determination Date** means two Business Days prior to each Funding 1 Interest Payment Date;

**Note Event of Default** means the occurrence of an event of default by the relevant Issuer as specified in the relevant Conditions of the Notes;

**Note Trustee** means The Bank of New York Mellon, acting through its London Branch, a New York banking corporation, whose address is at One Canada Square, London E14 5AL or such other person or companies as may from time to time be appointed as Note Trustee (or co-trustee) pursuant to, in the case of the Issuer, the note trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee and, in relation to New Issuers, the relevant note trust deeds to be entered into on New Closing Dates;

**Notes** means the Issuer Notes and any New Notes;

**Notional Amount of the Funding 1 Swap(s)** means, in respect of a Trust Calculation Period, (i) from the Amendment Effective Date, an amount in Sterling equal to the relevant proportion (equal to the proportion that the Loans in the group to which the relevant Funding 1 Swap relates bears to the total Loans in the Portfolio, in each case by reference to the aggregate Outstanding Principal Balance at such time) of the following amount and (ii) prior to the Amendment Effective Date, an amount in sterling equal to the following amount:

- (a) the aggregate principal amount outstanding of all Loan Tranches under the Intercompany Loan Agreement on the first day of the relevant Trust Calculation Period, less
- (b) the balance of the Funding 1 Principal Deficiency Ledger attributable to all Loan Tranches under the Intercompany Loan Agreement on the first day of the relevant Trust Calculation Period, less
- (c) the amount of the Funding 1 Principal Receipts in the Funding 1 GIC Account attributable to all Loan Tranches under the Intercompany Loan Agreement on the first day of the relevant Trust Calculation Period;

**NR Loan Tranche** means any Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any Series and Class of Class Z Notes or, in the case of an NR VFN Loan Tranche, from the proceeds of issue of, and Increase Amounts under, a Class Z Variable Funding Note;

**NR Principal Deficiency Sub-Ledger** means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any NR Loan Tranches or, where the context requires, the comparable ledger for a Further Funding Company;

**NR VFN Loan Tranche** means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of, and Increase Amounts under, a Class Z Variable Funding Note;

**Offer Conditions** means the terms and conditions applicable to a specific Loan as set out in the relevant offer of advance to the Borrower;

**Original Bullet Loan Tranche** means any Funding 1 Loan Tranche under the Intercompany Loan Agreement which at any time has been a Bullet Loan Tranche (even if such Funding 1 Loan Tranche has subsequently become a Pass-Through Loan Tranche);

**Original Pass-Through Loan Tranche** means a Loan Tranche which, at the time it was advanced, was a Pass-Through Loan Tranche;

**Original Scheduled Amortisation Instalment** means that part of a Scheduled Loan Amortisation Tranche which at any time has been a Scheduled Amortisation Instalment (even if such Scheduled Loan Amortisation Tranche has subsequently become a Pass-Through Loan Tranche);

**Original Scheduled Amortisation Loan Tranche** means a Loan Tranche which at any time has been a Scheduled Amortisation Loan Tranche (even if such Loan Tranche has subsequently become a Pass-Through Loan Tranche);

**Outstanding Balance Notice** means a notice from the Seller to the Mortgages Trustee pursuant to clause 8.7(d) of the Mortgage Sale Agreement in the form set out in schedule 17 to the Mortgage Sale Agreement;

**Outstanding Principal Amount** means, in relation to any Intercompany Loan or Loan Tranche or New Loan Tranche (other than an NR VFN Loan Tranche), the original principal amount thereof on the date that it is made to Funding 1 less any payments of principal in respect thereof, except if and to the extent that any such payment has been improperly withheld or refused and, in relation to an NR VFN Loan Tranche, the original principal amount thereof on the date that it is made to Funding 1 plus each Increase Amount less any payments of principal in respect thereof, except if and to the extent that any such payment has been improperly withheld or refused;

**Outstanding Principal Balance** means, in relation to a Loan at any date (the **determination date**), the aggregate principal balance of the Loan at such date (but avoiding double counting) including:

- (a) the Initial Advance;
- (b) Capitalised Expenses;
- (c) Capitalised Arrears;
- (d) Capitalised Interest;
- (e) any increase in the principal amount due under the Loans due to the Borrower taking an Extraordinary Payment Holiday (where some or all of the Extraordinary Payment Holiday Amount is capitalised); and
- (f) Further Advances and/or Flexible Loan Drawings,

in each case less any prepayment (including any decrease in the principal amount due under that Loan due to the Borrower making Overpayments), repayment or payment of the foregoing made on or prior to the determination date;

**Overpayment** means a payment by a Borrower in an amount greater than the Monthly Payment then due on the Loan;

**Panel Bank Guidelines** means the guidelines set by the Cash Manager from time to time for the purpose of depositing amounts standing to the credit of the Funding 1 Transaction Account with Eligible Banks subject to and in accordance with the terms of the Cash Management Agreement and which are, as at the date hereof, as set out in schedule 4 to the Cash Management Agreement;

**Part VII Effective Date** means 28 May 2010;

**Part VII Order** means an order published on 13 May 2010 by the High Court sanctioning the Part VII Scheme;

**Part VII Scheme** means a banking business transfer scheme pursuant to which the entire business of Alliance & Leicester, and all related assets and liabilities, were transferred to, and vested in or became liabilities of (as applicable), Santander UK, which scheme became effective on the Part VII Effective Date;

**Pass-Through Loan Tranche** means a Loan Tranche which has no Scheduled Repayment Date(s) other than the Final Repayment Date. The Pass-Through Loan Tranches of Funding 1 from time to time will be all the Loan Tranches other than the Cash Accumulation Loan Tranches;

**Pass-Through Trigger Event** means:

- (a) a Trigger Event occurs;
- (b) a Note Acceleration Notice is served by the Note Trustee on the Issuer; or
- (c) an Intercompany Loan Acceleration Notice is served by the Issuer on Funding 1;

**Payment Holiday** means the period of time that a Borrower refrains from making payments of interest and principal under a Loan without penalty;

**Perfection** means the perfection of certain matters relating to the sale and purchase of the Portfolio as contemplated in, pursuant to and in accordance with clause 6 of the Mortgage Sale Agreement;

**Permitted Product Switch** means a variation in the financial terms and conditions of a Loan in which a Borrower exchanges its then current Loan product for a different Loan product offered by the Seller, provided that:

- (a) the relevant Borrower has made at least one monthly payment on its then current Loan product;
- (b) the new Loan for which the prior Loan is to be exchanged is a Permitted Replacement Loan;
- (c) the conditions in clause 4.2 of the Mortgage Sale Agreement (other than conditions (e) and (h)) are satisfied, provided that conditions (i), (j) and (l) in that clause will only be required to have been satisfied on the date of the most recent assignment of Loans to the Mortgages Trustee);
- (d) the Interest-Only Mortgages Level Test is satisfied, which it will be if, as calculated on the most recent Trust Calculation Date:  $A/B \times 100 \leq C$

where

A = the Current Balance of all interest-only Loans (which, for the avoidance of doubt includes interest-only components of combination repayment and interest-only Loans) comprised in the Trust Property as at the relevant Trust Calculation Date;

B = the Current Balance of all Loans comprising the Trust Property as at the relevant Trust Calculation Date; and

C = the number specified in the most recent Final Terms; and

- (e) the Product Switch is not a variation or arrangement agreed with a Borrower made pursuant to the Homeowner Mortgage Support Scheme as set out by H.M. Treasury in a press notice on 10 December 2008 and as set out in further detail by the Department for Communities and Local Government in a press notice on 21 April 2009 (or a comparable scheme operated by the Seller);

**Permitted Replacement Loan** means a Loan:

- (a) that is either a Fixed Rate Loan, a Variable Rate Loan or a Tracker Loan;
- (b) that has a maturity date prior to the Maximum Loan Maturity Date; and
- (c) to which the purchase obligations of the Seller under clause 8.3 of the Mortgage Sale Agreement shall not apply;

**Personal Data** has the meaning given in clause 18.1 of the Servicing Agreement;

**Portfolio** means, at any time, the Loans and their Related Security sold to or held on trust for the Mortgages Trustee on trust for the Beneficiaries;

**Post-Perfection SVR-LIBOR Margin** means 2.95% or any other percentage as specified as such in the most recent Final Terms;



**Post-Perfection SVR-SONIA Margin** means 2.95% or any other percentage as specified as such in the most recent Final Terms;

**Potential Intercompany Loan Event of Default** means the occurrence of any event which with the giving of notice, any relevant certificate, the lapse of time or fulfilment of any other condition (or any combination of the foregoing) could become an Intercompany Loan Event of Default;

**Potential Note Event of Default** means the occurrence of an event which with the giving of notice, any relevant certificate, the lapse of time or fulfilment of any other condition (or any combination of the foregoing), could become a Note Event of Default;

**Potential Seller Principal Distribution Amount** has the meaning given to it in clause 4.10(c) of the Cash Management Agreement;

**Pre-Agreed Further Advance** means (other than in respect of a Flexible Loan) an advance made following a request from an existing Borrower for a further amount to be lent to him or her under his or her Mortgage, where the Seller has an obligation to accept that request;

**Principal Amount Outstanding** has the meaning given in Condition 5.3 of the Notes;

**Principal Deficiency Ledger** has the same meaning as Funding 1 Principal Deficiency Ledger;

**Principal Deficiency Sub-Ledger** has the same meaning as Funding 1 Principal Deficiency Sub-Ledger;

**Principal Ledger** means the ledger of such name maintained by the Cash Manager on behalf of the Mortgages Trustee, pursuant to the Cash Management Agreement and clause 16 of the Mortgages Trust Deed, to record the Principal Receipts on the Loans and distributions of such Principal Receipts to the Beneficiaries;

**Principal Payment Rate** or **PPR** means the average monthly rolling principal payment rate on the Loans for the 12 months immediately preceding the relevant Distribution Date calculated on each such date by:

- (a) dividing (i) the aggregate Principal Receipts received in relation to the Loans during the immediately preceding month on such calculation date by (ii) the aggregate Outstanding Principal Balance of the Loans on the previous calculation date;
- (b) aggregating the result of the calculation in (a) above with the results of the equivalent calculation made on each of the eleven most recent calculation dates during the relevant 12 month period; and
- (c) dividing the result of the calculation in (b) above by 12;

**Principal Receipts** means all principal amounts received from Borrowers in respect of the Loans or otherwise paid or recovered in respect of the Loans and their Related Security representing monthly repayments of principal, prepayments or overpayments of principal, redemption proceeds and amounts recovered on enforcement representing principal on the Loans (but excluding principal received or treated as received in respect of a Loan subsequent of enforcement procedures and certain Early Repayment Charges);

**Product Switch** means a variation to the financial terms or conditions included in the Mortgage Terms applicable to a Loan other than any variation:

- (a) agreed with a Borrower to control or manage arrears on a Loan;
- (b) of the maturity date of a Loan unless, while any Intercompany Loan is outstanding, it is extended beyond the Maximum Loan Maturity Date;
- (c) imposed by statute (excluding any variation or arrangement agreed with a Borrower made pursuant to the Homeowner Mortgage Support Scheme as set out by H.M. Treasury in a press notice on 10 December 2008 and as set out in further detail by the Department for Communities and Local Government in a press notice on 21 April 2009 (or a comparable scheme operated by the Seller));
- (d) of the rate of interest payable in respect of the Loan where that rate is offered to the Borrowers of more than 10 per cent. by Current Balance of Loans in the Trust Property as calculated on the next Trust Calculation Date as at the end of the immediately preceding Trust Calculation Period (except where such variation would cause the yield of the Loans comprising the Trust Property to be less than the Minimum Yield (after taking into account the average yield on the Loans which are Variable Rate Loans, Tracker Loans and Fixed Rate Loans and the margins on the Funding 1 Swap(s) (and the relevant swaps of any Further Funding Companies, where applicable)); and/or
- (e) in the frequency with which the interest payable in respect of the Loan is charged;

**Programme** means the programme of issuance of Notes by the Issuer and any New Issuers, where all or part of the proceeds of the issue of Notes will be on-lent to Funding 1 under the Intercompany Loan Agreement and any New Intercompany Loans;

**Programme Agreement** means the agreement entered into on or around the Initial Closing Date between the Issuer, Funding 1 and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Programme Pass-Through Loan Tranches** in relation to any Intercompany Loan has the meaning given in Part 2 of schedule 4 to the Funding 1 Deed of Charge;

**Property** means a freehold, heritable, leasehold or common hold property (or in Scotland a property held under a long lease) which is subject to a Mortgage;

**Prospectus Regulation** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017;

**Provisional Initial Portfolio** means the portfolio of Loans and their Related Security, particulars of which were set out in the document stored upon the CD-ROM which accompanied Appendix 1 to the Mortgage Sale Agreement dated 28 November 2006, and all right, title, interest and benefit of the Seller in and to:

- (a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears) and other sums due or to become due in respect of such Loans and Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on all covenants and any undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Terms;
- (b) subject where applicable to the subsisting rights of redemption of Borrowers, all Deeds of Consent, MH/CP Documentation, Deeds of Postponement, all third party guarantees and any other collateral security for the repayment of the relevant Loans secured by the Mortgages;

- (c) the right to exercise all the powers of the Seller in relation thereto;
- (d) all the estate and interest in the Properties vested in the Seller;
- (e) each Certificate of Title and Valuation Report and any right of action of the Seller against any solicitor, licensed conveyancer, qualified conveyancer, Valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with such Loans and their Related Security, or any part thereof or affecting the decision of the Seller to make or offer to make any such Loan or part thereof;
- (f) all rights, title and interests of the Seller (both present and future) (including, without limitation, the proceeds of all claims to which the Seller is entitled) under the Insurance Policies; and
- (g) all proceeds from the enforcement of such Loans and their Related Security;

**Purchase Price** means the sum of (i) the Initial Purchase Price, (ii) the Deferred Purchase Price and (iii) the covenant of the Mortgages Trustee to hold the Trust Property on trust for, *inter alios*, the Seller pursuant to the terms of the Mortgages Trust Deed;

**Qualifying Noteholder** means a person which is beneficially entitled to interest in respect of the Class Z Variable Funding Note and is:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
- (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Class Z Variable Funding Notes in computing the chargeable profits (for the purposes of Section 19 of the Corporation Tax Act 2009 (the CTA)) of that company; or
- (iii) a partnership each member of which is:
  - (A) a company resident in the United Kingdom; or
  - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA) the whole of any share of a payment of interest in respect of the Class Z Variable Funding Notes that is attributable to it by reason of Part 17 of the CTA.

**Quarter** means the period commencing on (and including) a Quarter Date (or, in the case of the first Quarter, the Initial Closing Date) and ending on (and excluding) the next Quarter Date;

**Quarter Dates** means the 18th day of any of the following months (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the relevant Notes and (as applicable) any corresponding Loan Tranche:

- (a) January, April, July and October; or
- (b) February, May, August and November; or
- (c) March, June, September and December;

**Quarterly CPR** on any date means the average of the three most recent CPRs;

**Rating Agencies** means, in respect of any Rated Notes, S&P, Moody's and/or Fitch and any further or replacement rating agency appointed by the Issuer with the approval of the Note Trustee to give a credit rating to the Notes of any Series and/or Class;

**Rating Agency Excess Spread** is calculated, on any date, as:

- (a) the product of:

$$\frac{X + Y}{2}$$

and the aggregate Outstanding Principal Balance of the Loan Tranches outstanding under the Intercompany Loan less the amount debited to the Funding 1 Principal Deficiency Ledger at such date;

less:

- (b) the product of the weighted average interest rate of the outstanding Notes at such date, including any Notes issued on such date (subject to adjustment where the Step-Up Date occurs for any Series and Class of Notes and taking into account the margins on the Issuer Swaps as at such date and the expenses of the Issuer ranking in priority to payments on such Notes) and the aggregate Principal Amount Outstanding of such Notes at such date,

where:

X = the weighted average yield on the Loans in the Portfolio at such date, together with New Loans (if any) to be assigned to the Mortgages Trustee on such date (taking into account the margins on the Funding 1 Swap(s) as at such date); and

Y = Compounded Daily SONIA (calculated in accordance with clause 7.2(e) of the Master Intercompany Loan Agreement) plus 1.0 per cent (or any higher percentage as specified in the most recent Final Terms);

**Rated Notes** means the Notes that have been rated by one or more of the Rating Agencies, being (as at the date hereof) the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes and the Class D Notes of the Issuer;

**Reasonable, Prudent Mortgage Lender** means a reasonably prudent prime residential mortgage lender lending to borrowers in England, Wales, Scotland and Northern Ireland who generally satisfy the lending criteria of traditional sources of residential mortgage capital;

**Receiver** means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Funding 1 Charged Property by the Funding 1 Security Trustee pursuant to clause 13.1 of the Funding 1 Deed of Charge and/or the Issuer Deed of Charge;

**Recipient Funding Company** has the meaning given in clause 8.1(b) of the Mortgages Trust Deed;

**Redemption Fee** means the standard redemption fee charged to the Borrower by the Seller where the Borrower makes a repayment of the full outstanding principal of a Loan;

**Reference Banks** means the principal London office of each of Barclays Bank PLC, Citibank, N.A. and The Royal Bank of Scotland plc and/or such other bank as may be appointed agent bank from time to time pursuant to the Paying Agent and Agent Bank Agreement;

**Refinancing Contribution** means a Contribution by way of cash payable made by a Beneficiary to the Mortgages Trustee pursuant to clause 8.1 of the Mortgages Trust Deed;

**Refinancing Distribution** means amounts held by the Mortgages Trustee on any date in respect of any Refinancing Contribution paid by a Beneficiary to the Mortgages Trustee which will be allocated and paid by the Mortgages Trustee to the Recipient Funding Company pursuant to clause 8 of the Mortgages Trust Deed;

**Refinancing Notice** has the meaning given in clause 8.1(b) of the Mortgages Trust Deed;

**Registered Land** means land in England and Wales, title to which is, or is required to be, registered at the Land Registry;

**Registered Transfer** means a deed of transfer of a Mortgage or Mortgages over Registered Land in England and Wales substantially in the form set out in schedule 2 to the Mortgage Sale Agreement;

**Registers of Scotland** means the Land Register of Scotland and/or the General Register of Sasines;

**Regulated Activities Order** means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

**Regulatory Authority** means the Prudential Regulation Authority, the Financial Conduct Authority, the Competition and Markets Authority, the Information Commissioner and any other regulatory or supervisory body with jurisdiction over any party to any of the Transaction Documents;

**Related Security** means, in relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Portfolio sold to or held on trust for the Mortgages Trustee pursuant to clause 2.1 or clause 4.1 of the Mortgage Sale Agreement including (without limitation):

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent, Deeds of Postponement and MH/CP Documentation) from occupiers and other persons having an interest in or rights in connection with the relevant Property;
- (b) each right of action of the Seller against any person (including, without limitation, any Valuer, licensed or qualified conveyancer, solicitor and any registrar or registry) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan; and
- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, returns of premium and proceeds of claims under) Insurance Policies (including the Buildings Policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and Customer Files;

**Relevant Accumulation Amount** means the amount of funds to be accumulated over a Cash Accumulation Period in order to repay a Bullet Loan Tranche or a Scheduled Amortisation

Instalment on its Scheduled Repayment Date whether or not actually repaid on that Scheduled Repayment Date;

**Relevant Margin** means, in respect of any Loan Tranche:

- (a) and prior to the Step-up Date, the Initial Loan Tranche Margin; and
- (b) from the Step-up Date, the Stepped-Up Loan Tranche Margin;

**Relevant Refinancing Distribution** has the meaning given in clause 6.2(c) of the Funding 1 Deed of Charge;

**Relevant Screen Rate** means, in relation to a relevant Intercompany Loan (a) in respect of the first Funding 1 Interest Period, the "Initial Relevant Screen Rate" specified in the relevant Loan Tranche Supplement and (b) in respect of subsequent Interest Periods, the London Interbank Offered Rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for three-month Sterling deposits or, following the occurrence of a Pass-Through Trigger Event, one-month Sterling deposits, in each case displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or such replacement Thomson Reuters page which displays that information) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters or, if such page or service ceases to be available, such other screen service as may be determined by Funding 1 with the approval of the Funding 1 Security Trustee (which shall not be unreasonably withheld) (rounded upwards, if necessary, to five decimal places);

**Relevant Tracker Loan Balance** has the meaning given in the Funding 1 Swap Agreement;

**Repayment Requirement** means, on a Trust Calculation Date, the amount, if any, by which the aggregate of all principal amounts that will be due and payable by a Funding Company on the next Funding Company Payment Date in respect of the Funding Company Loan Tranches made to that Funding Company on the basis that:

- (a) there would be no deferral in relation to Funding Company Loan Tranches due to the operation of applicable deferral rules (e.g. in respect of Funding 1 (separate rules may apply to Further Funding Companies) pursuant to Rule (1) set out in paragraph 2.2 of Part 2 of schedule 4 to the Funding 1 Deed of Charge);
- (b) in respect of Funding 1 only (separate rules may apply to Further Funding Companies), where Rule (2) or Rule (3) as set out in paragraph 2.2 of part 2 of schedule 4 to the Funding 1 Deed of Charge applies to an Intercompany Loan, the amount so payable by Funding 1 in respect of Loan Tranches and New Loan Tranches (where applicable) (other than Bullet Loan Tranches and Scheduled Amortisation Instalments) under that Intercompany Loan shall be treated as the lowest of:
  - (A) the amount due and payable in respect of those Loan Tranches and New Loan Tranches (where applicable);
  - (B) the aggregate amount that may be repaid by Funding 1 on a Funding 1 Interest Payment Date in respect of those Loan Tranches and New Loan Tranches (where applicable) (if Rule (2) as set out in paragraph 2.2 of part 2 of schedule 4 to the Funding 1 Deed of Charge applies); and

- (C) the remaining Mortgages Trust Available Principal Receipts after paying or providing for amounts set out in items (a) to (c) (inclusive) of the Mortgages Trust Principal Priority of Payments;
- (c) Funding Company Loan Tranches will be treated as due and payable if they are already due and payable, or would become due and payable on or before the next Funding Company Payment Date in accordance with the relevant Funding 1 Priority of Payments or, in respect of each Further Funding Company, the relevant priorities of payments for that Further Funding Company; and
- (d) the amounts due and payable to that Funding Company in respect of Bullet Loan Tranches and Scheduled Amortisation Instalments are excluded,

exceeds the sum of:

- (i) the amounts standing to the credit of the Funding 1 Principal Ledger and the corresponding ledgers of each Further Funding Company (if any) as at the last Funding Company Payment Date (which amount was not distributed on that Funding Company Date); and
- (ii) the sum of each Repayment Requirement amount paid to the relevant Funding Company on a previous Distribution Date during the relevant Funding Company Interest Period;

**Repayment Tests** means Rules (1) and (2), each as set out in Part 2 (*Funding 1 Pre-Acceleration Principal Priority of Payments*) of schedule 4 (*Funding 1 Priority of Payments*) to the Funding 1 Deed of Charge;

**Representations and Warranties** means, with respect to a Loan, the representations and warranties set out in schedule 1 to the Mortgage Sale Agreement as in effect as of the date such Loan was added to the Portfolio or, in the case of a Product Switch or Further Advance, the date such Product Switch or Further Advance was made;

**Reserve Funds** means the General Reserve Fund and the Liquidity Reserve Fund;

**Reserve Principal Payments** means:

- (i) prior to the occurrence of a Trigger Event:
  - (a) repayments of principal which are then due and payable in respect of the Original Bullet Loan Tranches; and
  - (b) repayments of principal in respect of Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only; and
- (ii) on or after the occurrence of a Trigger Event, repayments of principal in respect of Original Bullet Loan Tranches and Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only;

**Revenue Ledger** means the ledger maintained by the Cash Manager on behalf of the Mortgages Trustee pursuant to the Cash Management Agreement and clause 16 of the Mortgages Trust Deed to record Revenue Receipts received from the Mortgages Trustee and payment of the same to Beneficiaries on each Distribution Date. The Revenue Ledger and the Principal Ledger together reflect the aggregate of all amounts of cash standing to the credit of the Mortgages Trustee GIC Account;

**Revenue Receipts** means each payment received by the Mortgages Trustee in respect of any Loan, whether as all or part of a Monthly Payment in respect of such Loan, on redemption (including partial redemption) of such Loan, on enforcement of such Loan (including the proceeds of sale of such Loan), on the disposal of such Loan or otherwise (including payments pursuant to any Insurance Policy) which in any such case is not a Principal Receipt in respect of such Loan or a Third Party Amount;

**Reward Cashback** means an amount that the Seller has agreed to pay to a Borrower at periodic intervals whilst the relevant Loan is outstanding;

**Santander UK plc Policies** means those of the Buildings Policies which are issued to Borrowers by the Seller on behalf of Aviva Insurance Limited or such other entity as may be appointed by the Seller from time to time;

**S&P and Standard & Poor's** means Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Services Europe Limited and includes any successor to its rating business;

**Sale Date** means the date on which any New Portfolio is sold to or becomes subject of a trust for the Mortgages Trustee in accordance with clause 4 of the Mortgage Sale Agreement;

**Santander UK** means Santander UK plc;

**Santander A-2/P-2/F2 Account** means a bank account held at and maintained with Santander UK as Eligible Bank under the Panel Bank Guidelines whilst it maintains its current FSMA authorisations to accept deposits and:

- (a) the short-term, unsubordinated, unguaranteed and unsecured debt obligations of Account Bank B are rated below P-1 but at least P-2 by Moody's; and
- (b) the short-term and long-term "Issuer Default Ratings" of Account Bank B are rated below F1+ and AA- but at least F2 and BBB+ (respectively) by Fitch; and
- (c) the unsubordinated, unguaranteed and unsecured debt obligations of Account Bank B are rated below A-1+ short-term and AA long-term but at least A-2 short-term and BBB+ long-term by S&P;

**Sasine Transfer** means, in relation to Properties situated in Scotland title to which is recorded in the General Register of Sasines, each assignment of the relevant Scottish Loans and their related Scottish Mortgages in the form set out in schedule 12 to the Mortgage Sale Agreement with such modifications as may be required from time to time;

**Scheduled Amortisation Instalment** means that part of a Scheduled Amortisation Loan Tranche which is payable on each of the Scheduled Repayment Dates of that Loan Tranche specified in the relevant Final Terms and, following the last such specified Scheduled Repayment Date, on each Funding 1 Interest Payment Date thereafter, the Outstanding Principal Amount of that Loan Tranche;

**Scheduled Amortisation Loan Tranche** means any Funding 1 Loan Tranche which is initially scheduled to be repaid in multiple instalments (being Scheduled Amortisation Instalments) on Scheduled Repayment Dates in accordance with the terms of the relevant debt instruments of Funding 1 and which are designated as Scheduled Amortisation Loan Tranches in the applicable Loan Tranche Supplement and the accompanying Final Terms. A Scheduled Amortisation Loan Tranche will be deemed to be a Pass-Through Loan Tranche if a Pass-Through Trigger Event occurs;

**Scheduled Amortisation Repayment Restrictions** means, on a Funding 1 Interest Payment Date:



- (a) where there is not a Bullet Accumulation Shortfall at that time, the total amount withdrawn from the Cash Accumulation Ledger on that Funding 1 Interest Payment Date for repayment of the relevant Scheduled Amortisation Instalments shall not exceed the Cash Accumulation Ledger Amount less the Bullet Accumulation Liability at that time; and
- (b) where there is a Bullet Accumulation Shortfall at that time:
  - (i) no amount may be withdrawn from the Cash Accumulation Ledger on that Funding 1 Interest Payment Date to be applied in repayment of the relevant Scheduled Amortisation Instalments; and
  - (ii) thereafter, an amount may only be applied in repayment of the relevant Scheduled Amortisation Instalments if the sum of the Cash Accumulation Ledger Amount and the amount of Funding 1 Available Principal Receipts after the application of items (b) and (c) and before item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments is greater than the Bullet Accumulation Liability of Funding 1 at that time;

**Scheduled Repayment Date** means the Funding 1 Interest Payment Date when Funding 1 is required to repay a Bullet Loan Tranche or make a Scheduled Amortisation Instalment in respect of a Scheduled Amortisation Loan Tranche;

**Scottish Declaration of Trust** means each declaration of trust entered into among the Seller, the Mortgages Trustee and the Funding Companies pursuant to clause 3.1 or 4.8 of the Mortgage Sale Agreement substantially in the form set out in schedule 13 to the Mortgage Sale Agreement transferring the beneficial interest in Scottish Loans and their Related Security to the Mortgages Trustee;

**Scottish Loan** means a Loan which is secured by a Scottish Mortgage;

**Scottish Mortgage** means a Mortgage secured over a Property in Scotland;

**Scottish Transfers** means each Sasine Transfer and each SLR Transfer;

**Scottish Trust Property** means the aggregate of all Scottish Trust Property as defined in each relevant Scottish Declaration of Trust;

**Secretarial Services Agreement** means the agreement entered into on the Initial Closing Date pursuant to which Santander UK agrees to provide secretarial services to each of the Issuer, Funding 1, Holdings and Fosse PECO Limited (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Secured Amounts** means any and all of the moneys and liabilities which an Issuer covenants to pay or discharge under the relevant Issuer Deed of Charge and all other amounts owed by it to the Beneficiaries under and pursuant to the relevant Transaction Documents;

**Securities Act** means the United States Securities Act of 1933, as amended;

**Security Interest** or **Encumbrance** means any mortgage, sub mortgage, standard security, charge, sub charge, pledge, lien (other than a lien arising in the ordinary course of business or by operation of law), assignation in security or other encumbrance or security interest howsoever created or arising;

**Security Power of Attorney** means the power of attorney granted by Funding 1 in favour of the Funding 1 Security Trustee under the Funding 1 Deed of Charge on the Initial Closing Date substantially in the form set out in schedule 5 to the Funding 1 Deed of Charge;

**Seller** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK;

**Seller Accrued Interest Amounts** means amounts of accrued interest on the Loans up to and excluding their sale into the Mortgages Trust;

**Seller Bank Accounts** means the bank account(s) of the Seller into which monies may be paid from time to time pursuant to the terms of the Mortgages Trust Deed, details of which will be given to the Mortgages Trustee and Funding 1;

**Seller Contribution** means a Contribution by way of cash payable, pursuant to clause 6.2 of the Mortgages Trust Deed, by the Seller to the Mortgages Trustee;

**Seller Insurance Policy** means an insurance policy or policies provided in connection with any Legacy System Loan;

**Seller Power of Attorney** means the power of attorney granted by the Seller in favour of Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee on the Initial Closing Date, substantially in the form set out in schedule 5 to the Mortgage Sale Agreement;

**Seller Share** means, only in respect of the period prior to the first Trust Calculation Date, the Initial Seller Share and thereafter means the amount as determined in accordance with clauses 11.8 and 11.9 of the Mortgages Trust Deed;

**Seller Share Ledger** means the ledger to be maintained by the Cash Manager in accordance with the Cash Management Agreement to record the Current Seller Share and the Current Seller Share Percentage;

**Seller Share Percentage** means, in respect of the period prior to the first Trust Calculation Date, the Initial Seller Share Percentage and thereafter means the percentage share of the Seller in the Trust Property from time to time, as determined in accordance with clause 11.7 of the Mortgages Trust Deed;

**Seller Variable Rate** means the variable rates that apply to that type of variable rate loan beneficially owned by the Seller outside the Portfolio;

**Seller's Policy** means the originating, underwriting, administration, arrears and enforcement policy applied by the Seller from time to time to loans and the security for their repayment which are beneficially owned solely by the Seller;

**Series** means all Classes of Notes issued on a given day and any Class of Notes issued on any other day which: (a) is expressed to be consolidated; and (b) is identical in all respects (including as to listing) except for Closing Date, Interest Payment Date and issue price with any Class of Notes issued on such given day;

**Servicer** means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement;

**Servicer Termination Event** means any of the events listed in clause 21 of the Servicing Agreement;

**Services** has the meaning set out in clause 3.1(a) of the Servicing Agreement;

**Servicing Agreement** means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1 and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as the same may be amended, restated, varied, supplemented and/or novated from time to time);

**Share** means the Seller Share, the Funding 1 Share and/or each Further Funding Company Share, as the context requires;

**SLR Transfer** means, in relation to Properties situated in Scotland title to which is registered or is in the course of being registered in the Land Register of Scotland, each assignment of the relevant Scottish Loans and their related Scottish Mortgages in the form set out in schedule 11 to the Mortgage Sale Agreement with such modifications as may be required from time to time;

**SONIA** means the Sterling Overnight Index Average benchmark risk-free rate administered by the Bank of England;

**SONIA Funding 1 Swap Agreement** means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and schedule and credit support annex thereto dated as of 13 September 2019 between Funding 1 and the Funding 1 Swap Provider and any confirmation documented thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as each of the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) in respect of the SONIA Funding 1 Swaps;

**SONIA Funding 1 Swaps** means any swap documented under the SONIA Funding 1 Swap Agreement which enables Funding 1 to hedge exposure in relation to SONIA-linked Intercompany Loans arising the possible variance between the rates of interest payable on the variable rate loans, the fixed rates of interest payable on the fixed rate loans and the rates of interest payable on the tracker rate loans (as applicable) and a compounded daily SONIA rate;

**SONIA-linked Intercompany Loan** means any Intercompany Loan between Funding 1, an issuer, and the Funding 1 Security Trustee that pays a rate of interest that is based on SONIA;

**SONIA Screen Page** means the Reuters Screen SONIA Page (or, if such page is no longer available, any replacement or successor page showing the relevant information);

**SONIA Spot Rate** means, with respect to publication on any London Business Day, the daily Sterling Overnight Index Average (SONIA) published on such London Business Day (and relating to the immediately preceding London Business Day) as provided by the administrator of SONIA to authorised distributors and as then published on the SONIA Screen Page (or, if the SONIA Screen Page is unavailable, as otherwise published by such authorised distributors);

**Special Distribution** means amounts held by the Mortgages Trustee on any date in respect of any Further Contribution (other than a Refinancing Contribution) paid by any Funding Company to the Mortgages Trustee on that date which will be allocated and paid by the Mortgages Trustee to the Seller as a distribution pursuant to clause 5.1 of the Mortgages Trust Deed;

**Standard Documentation** means the standard documentation, a list of which is set out in Appendix 2 to the Mortgage Sale Agreement and copies of which have been initialled on behalf of the initial parties thereto for the purposes of identification, or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender;

**Standard Security** or **standard security** means a standard security as defined in Part II of the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended;

**Step-Up Date** means:

- (a) in respect of any Intercompany Loan, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranches made thereunder increases by a pre-determined amount; and
- (b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount as specified in the applicable Final Terms;

**Stepped-Up Loan Tranche Margin** means, in respect of any Loan Tranche, the margin per annum specified as such in the applicable Loan Tranche Supplement

**Sub-Servicer** means an entity appointed by the Servicer in accordance with the provisions of Clause 3.2 (Sub-contracts) of the Servicing Agreement;

**Subsidiary** means a subsidiary as defined in section 1159 of Companies Act 2006;

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system which was launched on 19 November 2007 is open;

**Taxes** means all present and future taxes, levies, imposts, duties (other than stamp duty), fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including, without limitation, income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and **Tax** and **Taxation** shall be construed accordingly;

**Third Party Amounts** includes:

- (a) amounts under a direct debit which are repaid to the bank making the payment if such a bank is unable to recoup that amount itself from the customer's account;
- (b) payments by Borrowers of any fees and other charges which are due to the Seller (including payments of insurance premiums, if any, due to the Seller in respect of any Seller arranged insurance policy to the extent not paid or payable by the Seller (or to the extent such insurance premiums have been paid by the Seller in respect of any Loan, which is not repurchased by the Seller, to reimburse the Seller)); or
- (c) recoveries in respect of amounts deducted from Loans as described in paragraphs (i) to (iv) of clause 11.6(a) of the Mortgages Trust Deed, which will belong to and be paid to the Funding Companies and/or the Seller as described therein;

**Third Party Collection Agent** means an entity that shall act as collection agent for the Mortgages Trustee and the Beneficiaries under the Direct Debiting Scheme or any successor to that scheme pursuant to clause 5.1(a)(i) of the Servicing Agreement;

**Three Month LIBOR** has the meaning given in the Funding 1 Swap Agreement;

**Title Deeds** means, in relation to each Loan and its Related Security and the Property relating thereto, all conveyancing deeds, land and charge certificates, MH/CP Documentation and all other documents which make up the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the Borrower of the related Mortgage;

**Tracker LIBOR Spread** has the meaning given in the Funding 1 Swap Agreement;

**Tracker Loan** means those Loans where interest is linked to an interest rate other than the Variable Rate – for example, the Follow-On Rate;

**Tracker Rate** means the rate of interest that applies to the Tracker Loans in the Portfolio;

**Tracker SONIA Spread** has the meaning given in the Funding 1 Swap Agreement;

**Tracker Swap Rate** means a rate linked to the Bank of England repo rate, as shall be determined by the Cash Manager in accordance with the provisions of the Cash Management Agreement;

**Transaction Documents** means the Funding 1 Agreements, the Issuer Transaction Documents, any documents and agreements to which any Further Funding Company is a party, any documents and agreements to which any New Issuer is a party, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement and all other documents and agreements referred to therein;

**Trigger Event** means an Asset Trigger Event and/or a Non-Asset Trigger Event, as the case may be;

**Trust Calculation Date** has the meaning given in clause 11.1 of the Mortgages Trust Deed;

**Trust Calculation Period** has the meaning given in clause 11.1 of the Mortgages Trust Deed;

**Trust Corporation** means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees;

**Trust Property** means:

- (a) the sum of £100 settled by Sanne Trustee Services Limited on trust on the Initial Closing Date;
- (b) the portfolio of Loans and their Related Security sold to or held on trust for the Mortgages Trustee by the Seller at their relevant Sale Dates;
- (c) any New Loans and their Related Security sold to or held on trust for the Mortgages Trustee by the Seller after the Initial Closing Date;
- (d) any increase in the Current Balance of a Loan due to Borrowers making Underpayments or Cash Withdrawals or taking Payment Holidays under a Loan or taking Extraordinary Payment Holidays under any Loan (where some or all of the Extraordinary Payment Holiday Amount is capitalised) or a Borrower making a drawing under any Flexible Loan or the Seller making a Further Advance under a Loan or due to any Capitalised Arrears or due to Accrued Interest and other amounts of Arrears in relation to that Loan from time to time;
- (e) any Revenue Receipts and Principal Receipts on the Loans in the Portfolio;
- (f) any consideration provided to the Mortgages Trustee in the form of Contributions in accordance with clause 4 of the Mortgages Trust Deed, until such Contributions have been

applied by the Mortgages Trustee in accordance with the terms of the Mortgages Trust Deed;

- (g) any Authorised Investments made by or on behalf of the Mortgages Trustee;
- (h) rights under insurance policies that are assigned to the Mortgages Trustee or which the Mortgages Trustee has the benefit of;
- (i) amounts on deposit (and interest earned on those amounts) in the Mortgages Trustee GIC Account; and
- (j) any other property representing (a) to (h) above;

less

- (i) any actual Losses in relation to Loans and any actual reductions (and, for the avoidance of doubt, not deemed reductions) occurring in respect of the Outstanding Principal Balance of the Loans in the circumstances set out in clause 11.2(a) of the Mortgages Trust Deed;
- (ii) distributions of Revenue Receipts and Principal Receipts made from time to time to the Beneficiaries of the Mortgages Trust Deed; and
- (iii) Refinancing Distributions and/or Special Distributions made from time to time to the Beneficiaries;

**UK Capital Requirements Regulation** means Regulation (EU) No. 575/2013 as it forms part of domestic law of the United Kingdom by virtue of the EUWA;

**UK EMIR** means EU EMIR as it forms part of domestic law in the UK by virtue of the EUWA;

**UK LCR Regulation** means Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 (supplementing Regulation (EU) 575/2013 with regard to the Liquidity Coverage Requirement for Credit Institutions, as amended) as it forms part of domestic law of the United Kingdom by virtue of the EUWA;

**UK MiFIR** means the Markets in Financial Instruments Directive 2014/65/EU as it forms part of UK domestic law by virtue of the EUWA.

**UK Risk Retention Requirements** means Article 6 of the UK Securitisation Regulation;

**UK Securitisation Regulation** means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation as amended by The Securitisation (Amendment) (EU Exit) Regulation 2019 and as it forms part of domestic law of the United Kingdom by virtue of EUWA (together with any implementing regulation, technical standards and official guidance related thereto, in each case as amended, varied or substituted from time to time);

**UK Share Trustee** means Intertrust Corporate Services Limited of 1 Bartholomew Lane, London, EC2N 2AX;

**UK STS Requirements** means the requirements of Articles 18 to 22 of the UK Securitisation Regulation;

**UK Transparency Requirements** means Article 7 of the UK Securitisation Regulation;

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment;

**Underpayment** means a payment made by a Borrower in an amount less than the Monthly Payment then due on the Loan being a sum not exceeding the aggregate of any previous Overpayments;

**United Kingdom** means The United Kingdom of Great Britain and Northern Ireland;

**United States** means The United States of America;

**Unregistered Land** means land in England and Wales title to which is not, and is not required to be, registered at the Land Registry;

**Unregistered Transfer** means a deed of transfer of a Mortgage or Mortgages over Unregistered Land in England and Wales substantially in the form set out in schedule 3 to the Mortgage Sale Agreement;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

**Valuation Report** means the valuation report or reports for mortgage purposes, in the form of the pro-forma contained in the Standard Documentation, obtained by the Seller from a Valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable, Prudent Mortgage Lender and which has been approved by the relevant officers of the Seller;

**Valuer** means an Associate or Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers who was at the relevant times either a member of a firm which was on the list of valuers approved by or on behalf of the Seller from time to time or an Associate or Fellow of the Royal Institute of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers employed in-house by the Seller acting for the Seller in respect of the valuation of a Property;

**Variable Rate** means the rate of interest that applies to that type of Variable Rate Loan in the Portfolio as set, other than in limited circumstances, by the Servicer;

**Variable Rate Loan Balance** has the meaning given in the Funding 1 Swap Agreement;

**Variable Rate Loans** means those Loans which are subject to a rate of interest which may be varied in accordance with the relevant Mortgage Terms (and shall, for the avoidance of doubt, exclude Fixed Rate Loans and Tracker Loans);

**Variable Rate Spread** has the meaning given in the Funding 1 Swap Agreement;

**WAFF** means the weighted average foreclosure frequency in respect of the Portfolio (as determined in accordance with the models and assumptions provided by S&P via weblink on a quarterly basis);

**WALS** means the weighted average loss severity in respect of the Portfolio (as determined in accordance with the models and assumptions provided by S&P via weblink on a quarterly basis);

**Weighted Average Funding 1 Share (Losses) Percentage** has the meaning given in clause 11.4 of the Mortgages Trust Deed;

**Weighted Average Funding 1 Share Percentage** has the meaning given in clause 11.4 of the Mortgages Trust Deed;

**Weighted Average Funding 1 Share (Principal) Percentage** has the meaning given in clause 11.4 of the Mortgages Trust Deed;

**Weighted Average Funding 1 Share (Revenue) Percentage** has the meaning given in clause 11.4 of the Mortgages Trust Deed;

**Weighted Average Further Funding Company Share (Losses) Percentage** has the meaning given in clause 11.5 of the Mortgages Trust Deed;

**Weighted Average Further Funding Company Share Percentage** has the meaning given in clause 11.5 of the Mortgages Trust Deed;

**Weighted Average Further Funding Company Share (Principal) Percentage** has the meaning given in clause 11.5 of the Mortgages Trust Deed;

**Weighted Average Further Funding Company Share (Revenue) Percentage** has the meaning given in clause 11.5 of the Mortgages Trust Deed;

**Weighted Average Seller Share Percentage** has the meaning given in clause 11.9 of the Mortgages Trust Deed;

**Weighted Average Seller Share (Losses) Percentage** has the meaning given in clause 11.9 of the Mortgages Trust Deed;

**Weighted Average Seller Share (Principal) Percentage** has the meaning given in clause 11.9 of the Mortgages Trust Deed;

**Weighted Average Seller Share (Revenue) Percentage** has the meaning given in clause 11.9 of the Mortgages Trust Deed;

**Weighted Average SOFR**, in relation to any Interest Period, means the arithmetic mean of *SOFR<sub>i</sub>* in effect during such Interest Period (each such U.S. Government Securities Business Day, *i*), and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms Document) on each Interest Determination Date by multiplying the relevant *SOFR<sub>i</sub>* by the number of days such *SOFR<sub>i</sub>* is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period; and

**Weighted Average SONIA Rate** means in respect of an Interest Period, the weighted average (calculated by reference to the outstanding principal amount of each SONIA-Linked Intercompany Loan during that Interest Period) of the SONIA based rates (without including any margin) payable under SONIA-Linked Intercompany Loans for that Interest Period.

### **3. INTERPRETATION AND CONSTRUCTION**

#### **3.1 Any reference in any Transaction Document or in any document to which this Master Definitions and Construction Schedule is expressed to be incorporated or apply to:**

an **affiliate** of any person shall be construed as a reference to the ultimate holding company of that person or an entity of which that person or its ultimate holding company (a) has direct or indirect



control or (b) owns directly or indirectly more than 50% of the share capital or similar rights of ownership;

the **assets** of any person shall be construed as a reference to the whole or any part of its business, undertakings, property, intellectual property, shares, securities, debts, accounts, revenues (including any right to receive revenues), goodwill, shareholdings and uncalled capital including premium whether now or hereafter acquired and any other assets whatsoever;

an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing or registration;

**disposal** shall be construed as any sale, lease, transfer, conveyance, assignment, assignation, licence, sub-licence or other disposal and **dispose** shall be construed accordingly;

a **guarantee** means any guarantee, bond, indemnity, letter of credit, third party security or other legally binding assurance against financial loss granted by one person in respect of any indebtedness of another person, or any agreement to assume any indebtedness of any other person or to supply funds or to invest in any manner whatsoever in such other person by reason of, or otherwise in relation to, indebtedness of such other person;

**indebtedness** shall be construed so as to include any obligation (whether incurred as principal or as surety or guarantor) for the payment or repayment of money, whether present or future, actual or contingent;

a **month** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day which is not a business day, it shall end on the next business day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the preceding business day, provided that, if a period starts on the last business day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last business day in that later month (and references to **months** shall be construed accordingly);

a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

a **rating** or **rating criteria** or **methodology** of Fitch, Moody's or S&P, and any trigger or test or notice requirement or other provision related thereto, are to be construed as applying only if and for so long as any notes rated by Fitch, Moody's or S&P, as applicable, remain outstanding;

**set-off** shall be deemed to include analogous rights in other relevant jurisdictions;

**VAT** means value added tax imposed by the United Kingdom as referred to in the VATA and legislation (whether delegated or otherwise) replacing the same or supplemental thereto and any similar turnover tax replacing or introduced in addition to any of the same;

**VATA** means Value Added Tax Act 1994;

a **wholly-owned subsidiary** of a company or corporation shall be construed as a reference to any company or corporation which has no other members except that other company or corporation and that other company's or corporation's wholly-owned subsidiaries or persons acting on behalf of that other company or corporation or its wholly-owned subsidiaries; and

the **winding-up, dissolution or administration** of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, bankruptcy, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

3.2 **£, sterling or pounds sterling** denotes the lawful currency for the time being of the United Kingdom and **€ or Euro** denotes the single currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union as amended from time to time.

3.3 In this Master Definitions and Construction Schedule and in any of the Transaction Documents in which this Master Definitions and Construction Schedule is expressed to be incorporated or to which this Master Definitions and Construction Schedule is expressed to apply:

- (a) words denoting the singular number only shall include the plural number also and vice versa;
- (b) words denoting one gender only shall include the other genders;
- (c) words denoting persons only shall include firms and corporations and vice versa;
- (d) references to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such re-enactment;
- (e) references to any agreement or other document (including any of the Transaction Documents) shall be deemed also to refer to such agreement or document as amended, varied, supplemented or novated from time to time;
- (f) clause, paragraph and schedule headings are for ease of reference only;
- (g) reference to a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, amended or re-enacted to the extent such amendment or re-enactment is substantially to the same effect as such statute on the date hereof;
- (h) reference to a time of day shall be construed as a reference to London time (unless otherwise specified); and
- (i) references to any person shall include references to his successors, transferees and assigns and assignees and any person deriving title under or through him.

3.4 References in any Transaction Document to "**reasonable**" or "**reasonably**" and similar expressions relating to the Funding 1 Security Trustee, the Issuer Security Trustee or the Note Trustee and any exercise of power, opinion, determination or other similar matter shall be construed as meaning reasonable or reasonably (as the case may be) having regard to, and taking into account the interests of, the Noteholders only:

- (a) in the case of the Funding 1 Security Trustee, as so directed by the Issuer Security Trustee in accordance with the Funding 1 Deed of Charge as so directed by the Note Trustee in accordance with the Issuer Deed of Charge as so determined by the Note Trustee;
- (b) in the case of the Issuer Security Trustee, as so directed by the Note Trustee in accordance with the Issuer Deed of Charge as so determined by the Note Trustee; or

(c) in the case of the Note Trustee, as so determined by the Note Trustee;

**"acting reasonably"** means if acting reasonably in the interests of the Noteholders only:

- (a) in the case of the Funding 1 Security Trustee, as so directed by the Issuer Security Trustee in accordance with the Funding 1 Deed of Charge as so directed by the Note Trustee in accordance with the Issuer Deed of Charge as so determined by the Note Trustee;
- (b) in the case of the Issuer Security Trustee, as so directed by the Note Trustee in accordance with the Issuer Deed of Charge as so determined by the Note Trustee; or
- (c) in the case of the Note Trustee, as so determined by the Note Trustee;

**"approval not to be unreasonably withheld or delayed"** or like references shall mean, in determining whether to give consent:

- (a) in the case of the Funding 1 Security Trustee, as directed by the Issuer Security Trustee in accordance with the Funding 1 Deed of Charge as so directed by the Note Trustee in accordance with the Issuer Deed of Charge as so determined by the Note Trustee having regard to the interests of the Noteholders only;
- (b) in the case of the Issuer Security Trustee, as so directed by the Note Trustee in accordance with the Issuer Deed of Charge as so determined by the Note Trustee having regard to the interests of the Noteholders only; or
- (c) in the case of the Note Trustee, as so determined by the Note Trustee having regard to the interests of the Noteholders only,

and any determination by the Note Trustee as to whether or not its approval is unreasonably withheld or delayed shall be made on that basis.

- 3.5 Any definition that appears in the Funding 1 Agreements that does not appear in this Master Definitions and Construction Schedule shall have the meaning given in the relevant Issuer Master Definitions and Construction Schedule or each Issuer Master Definitions and Construction Schedule, as the context so requires.
- 3.6 Terms used in any Transaction Document which incorporates both this Master Definitions and Construction Schedule and an Issuer Master Definitions and Construction Schedule, unless otherwise defined therein or unless the context otherwise requires, shall, in the event of conflict between this Master Definitions and Construction Schedule and an Issuer Master Definitions and Construction Schedule, be construed in accordance with the relevant Issuer Master Definitions and Construction Schedule.
- 3.7 Each party to the Transaction Documents agrees that the Mortgages Trustee shall not be liable to any other party for any loss or damage in respect of each Transaction Document to which it is a party which arises out of the exercise, or the attempted or purported exercise of, or failure to exercise any of its respective powers under each such Transaction Document (other than any loss or damage caused by any breach of the terms of any Transaction Document by it, or wilful default, fraud, negligence or wilful misconduct on its part or the part of its officers, employees or agents).
- 3.8 In addition, each party agrees that it will not petition nor commence proceedings for the administration, winding up or liquidation of the Mortgages Trustee nor participate in any ex parte proceedings with regard thereto.

## 3.9 If:

- (a) a confirmation of rating or other response by a Rating Agency is a condition to any action or step under any Transaction Document; and
- (b) a written request for such confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable) and any one or more of the Rating Agencies (each a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation or response necessary in the circumstances or, within 30 days of delivery of such request, elicits no confirmation or response and/or such request elicits no statement by such Rating Agency that such confirmation or response could not be given; and
- (c) at least one Rating Agency gives such a confirmation or response based on the same facts,

then such condition shall be deemed to be modified with respect to the facts set out in the request referred to in paragraph (b) above so that there shall be no requirement for the confirmation or response from any Non-Responsive Rating Agency.

The Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall be entitled to treat as conclusive a certificate by any director, officer or employee of the Issuer, Funding 1, the Seller or any investment bank or financial adviser acting in relation to the Notes as to any matter referred to in paragraph (b) above in the absence of manifest error or the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, having facts contradicting such certificates specifically drawn to its attention and the Note Trustee and/or the Issuer Security Trustee and/or the Funding 1 Security Trustee, as applicable, shall not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused as a result.

- 3.10 The definitions of Base Rate LIBOR Spread, Base Rate Ratio, Daily Base Rate LIBOR Spread, Relevant Base Rate Loans, Relevant Base Rate Loan Balance, Weighted Average Base Rate and Weighted Average Base Rate LIBOR Spread in any SONIA Funding 1 Swaps shall be construed as Tracker LIBOR Spread, Tracker Ratio, Daily Tracker LIBOR Spread, Relevant Tracker Loans, Relevant Tracker Loan Balance, Weighted Average Tracker Rate and Weighted Average Tracker LIBOR Spread respectively.

#### 4. **AMENDMENTS**

Subject to the Funding 1 Deed of Charge, any amendments to this Master Definitions and Construction Schedule will be made only with the prior written consent of each party to this Master Definitions and Construction Schedule.

#### 5. **COUNTERPARTS**

This Master Definitions and Construction Schedule may be signed in any number of counterparts each of which, when signed, shall constitute one and the same instrument.

#### 6. **GOVERNING LAW**

This Master Definitions and Construction Schedule (and any non-contractual obligations arising out of or in connection with it) is governed by the laws of England (provided that any terms of this Master Definitions and Construction Schedule which are particular to Scots law (and any non-contractual obligations arising out of or in connection with such terms) shall be construed in

accordance with the laws of Scotland and that any terms of this Master Definitions and Construction Schedule.

SCHEDULE 1

ACCESSION AGREEMENT

To: The existing parties to the Master Definitions and Construction Schedule (the **Existing Parties**)

From: *[Name of Company]* (the **New Party**)

Date: [ ]

**Master Definitions and Construction Schedule dated 28 November 2006 as amended and/or restated on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014 and 29 April 2016, 13 September 2019, 25 September 2019, 30 April 2020 and [●] 2021**

**(the Master Definitions and Construction Schedule)**

We refer to Clause 1 (Accession of New Parties) of the Master Definitions and Construction Schedule.

We, *[name of company]* of *[registered office]* (*registered no. [ ]*) agree to become a party to the Master Definitions and Construction Schedule and to be bound by the terms of the Master Definitions and Construction Schedule in accordance with Clause 1 (Accession of New Parties) thereof.

This Accession Agreement is entered into by way of deed and is governed by English law.

|   |   |                    |
|---|---|--------------------|
| <b>[EXECUTED as a DEED by</b>           | ) |                    |
|   | ) |                    |
| <b>[NEW PARTY]</b>                      | ) | Director           |
|   | ) |                    |
| acting by <i>[NAME of DIRECTOR]</i>     | ) |                    |
|   | ) |                    |
| and <i>[NAME of DIRECTOR/SECRETARY]</i> | ) | Director/Secretary |

SIGNATORIES

**Seller, Cash Manager, Issuer Cash Manager, Servicer, Funding 1 Start-up Loan Provider, Extraordinary Payment Holiday Start-Up Loan Provider, Funding 1 Swap Provider, Mortgages Trustee, Account Bank B and Issuer Account Bank**

**SIGNED**  
for and on behalf of  
**SANTANDER UK PLC**  
by its authorised attorney

)  

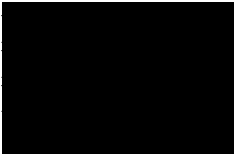

**Account Bank A**

**SIGNED by**  
**THE BANK OF NEW YORK MELLON,**  
**ACTING THROUGH ITS LONDON BRANCH**  
**acting by:**

)  

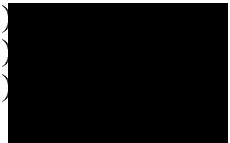

**Funding 1**

**SIGNED** by Intertrust Directors 1 Limited, as Director  
for and on behalf of  
**FOSSE FUNDING (NO. 1) LIMITED**



**Mortgages Trustee**

**SIGNED** by Intertrust Directors 1 Limited, as Director  
for and on behalf of  
**FOSSE TRUSTEE (UK) LIMITED**

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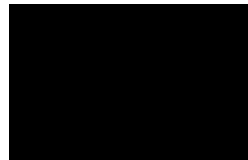
**Funding 1 Security Trustee, Issuer Security Trustee and Note Trustee**

**SIGNED** by  
for and on behalf of  
**THE BANK OF NEW YORK MELLON,**  
**ACTING THROUGH ITS LONDON BRANCH**

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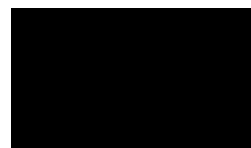

**Issuer**

**SIGNED** by Intertrust Directors 1 Limited, as Director  
for and on behalf of  
**FOSSE MASTER ISSUER PLC**



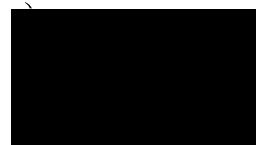
**Holdings**

**SIGNED** by Intertrust Directors 1 Limited, as Director  
for and on behalf of  
**FOSSE (MASTER ISSUER) HOLDINGS LIMITED**



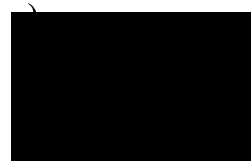
**Mortgages Trustee Corporate Services Provider, Funding 1 Corporate Services Provider and Issuer  
Corporate Services Provider**

**SIGNED** by  
for and on behalf of  
**INTERTRUST MANAGEMENT LIMITED**



**UK Share Trustee**

**SIGNED** by  
for and on behalf of  
**INTERTRUST CORPORATE SERVICES  
LIMITED**





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**Agent Bank, Exchange Rate Agent, Principal Paying Agent, Registrar and Transfer Agent**

**SIGNED** by  
for and on behalf of  
**CITIBANK, N.A., LONDON BRANCH**  
acting as its delegated signatory

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**U.S. Paying Agent**

**SIGNED** by  
for and on behalf of  
**CITIBANK, N.A.**  
as U.S. Paying Agent  
acting as its delegated signatory

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Name:

Title:

