**Santander UK Group Holdings plc ("Santander UK") is a subsidiary of Banco Santander, S.A. ("Santander").**

Santander UK Group Holdings plc and its subsidiaries (referred to collectively as **Santander UK** or the **Santander UK Group**) operate primarily in the UK, and are part of the Banco Santander group (comprising Banco Santander, S.A. and its subsidiaries, referred to collectively in this document as **Santander**).

NEITHER THIS DOCUMENT NOR ANY COPY HEREOF MAY BE DISTRIBUTED IN ANY JURISDICTIONS WHERE ITS DISTRIBUTION MAY BE RESTRICTED BY LAW. PERSONS WHO RECEIVE THIS DOCUMENT SHOULD MAKE THEMSELVES AWARE OF AND ADHERE TO ANY SUCH RESTRICTIONS.

This document and all information contained herein, attached hereto or enclosed or provided directly in connection herewith is provided to you on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws, regulations and regulatory policies of each applicable jurisdiction. This document is not intended for distribution to, or use by any person or entity in, any jurisdiction or country where such distribution or use would be contrary to local law or regulation. By accessing this document, you shall be deemed to have confirmed and represented to us that you have understood and agree to the terms and limitations set out in this disclaimer (including your acceptance in full of this disclaimer) and that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located.

The information contained in this document is confidential and is intended for use by the recipient only. This document may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised and may be contrary to applicable laws. If you are not the intended recipient of this document, please delete and destroy all copies immediately.

This document was prepared for information only and it does not constitute a prospectus or offering memorandum. In particular, this document shall not constitute or imply an offer or commitment to sell or a solicitation of an offer, invitation, recommendation or commitment to buy or subscribe for any security or to enter into any transaction, nor does this document constitute any advice or a recommendation to buy, sell or otherwise deal in any securities of Santander UK or Santander or any other securities and should not be relied on for the purposes of any investment decision.

Santander UK, as originator, may procure the submission of a notification to the Financial Conduct Authority (the **FCA**) as the relevant competent authority in the UK in accordance with the securitisation sourcebook of the FCA Handbook (**SECN**) 2.5, confirming that the requirements of SECN 2.2.1R to 2.2.29R have been satisfied with respect to the issuance of a series of notes. No assurance is given that the originator will seek an STS designation with respect to any series of notes issued under the Fosse securitisation and the relevant final terms. The originator may decide at its discretion whether an STS notification will be submitted in respect of an issuance of a series of notes at the time of such issuance. Accordingly, notes may, and are capable of, being issued under the Fosse securitisation without any such notes being compliant with the STS requirements or any notification being submitted to the FCA by or on behalf of the originator that the STS requirements are satisfied. In the event that the originator makes an STS notification with respect to a series of notes, no assurance can be given that such series of notes meeting the STS requirements applicable at the time of such STS notification will remain compliant because the STS requirements may change over time. In addition, (i) no assurance can be given on how competent authorities will interpret and apply the STS requirements, (ii) any international or national regulatory guidance may be subject to change following the initial STS notification, and (iii) related regulations are subject to change and, therefore, what is or will be required to demonstrate compliance with the STS requirements to national regulators remains unclear (please see the risk factor entitled "Simple, Transparent and Standardised (STS) Securitisations" in the Base Prospectus dated 24 June 2025, as updated and supplemented from time to time).

This document has not been filed, reviewed or approved by any regulator, governmental regulatory body or securities exchange in any jurisdiction or territory, and there has been no independent verification of the contents of this document. Although reasonable care has been taken to ensure that the information contained in this document is not untrue or misleading, neither Santander UK nor Santander, nor any of their respective affiliates, officers, servants, agents, employees or advisors makes any representation or warranty of any kind, express or implied, nor will bear responsibility or liability as to the fairness, accuracy, adequacy, completeness or correctness of any statements in this document or made in connection herewith at any time (whether delivered orally, in writing or by other means). Furthermore, neither Santander UK nor Santander, nor any of their respective affiliates, officers, servants, agents, employees or advisors represents or warrants in any way as to the accuracy or reliability of any source, and any such information may be incomplete or condensed. Any use of the information in this document by the recipient for any purpose whatsoever will be entirely at the recipient’s own risk.

Neither Santander UK nor Santander, nor any of their respective affiliates, officers, servants, agents, employees or advisors accepts any liability whatsoever (in negligence or otherwise) for any direct, indirect or consequential damages or losses arising from any use of this document or its contents or otherwise arising in connection therewith and none of such persons undertakes any obligation to update or correct any information contained herein or otherwise advise as to any future changes to it. Nothing in this document constitutes tax, accounting, legal, regulatory or financial advice and neither Santander UK nor Santander, nor any of their respective affiliates, officers, agents, employees or advisors is providing, or offering to provide, any legal, compliance, tax or accounting advice to those accessing this document.

The recipient should perform its own independent investigation and analysis of the matters referred to in this document by fully considering all other information available to it and conduct whatever investigations it deems necessary. Failure by an investor to comply with any due diligence requirements applicable to it will result in various penalties, including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor.

The information and opinions contained in this document should not be relied upon as authoritative or definitive, and should not be taken into account in the exercise of judgments by any recipient, and under no circumstances is such information and opinions to be used or considered as an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any trading strategy. Recipients of this document and/or prospective counterparties and investors should review independently and/or obtain independent professional advice and draw their own conclusions regarding the suitability/appropriateness of any transaction including (but not limited to) the economic benefit and risks and the legal, regulatory, credit, tax and accounting aspects in relation to their particular circumstances.

This document and the information herein is made by reference to the transaction documents and legal opinions delivered in connection with the programme as they exist on the date of this document. Such transaction documents are subject to periodic amendments and/or replacement and/or termination. Neither Santander UK nor Santander, nor any of their respective affiliates, officers, servants, agents, employees or advisors are required to update this document and any information contained herein to the extent an amendment and/or replacement and/or termination of a relevant transaction document and/or legal opinion occurs.

The document is being provided to you on condition that (i) you have sufficient understanding and independent professional advice prior to making your own evaluation of its contents and use and (ii) you are not relying on Santander for information, advice or recommendations of any sort. By accessing this document, the recipient acknowledges that (i) Santander is not in the business of providing legal, regulatory, credit, tax and accounting advice, (ii) it will legal, regulatory, credit, tax and accounting advice from advisors with appropriate expertise to assess relevant risks and independently determine, without reliance upon Santander, the economic risks and merits and that it is able to assume any such risks and that (iii) nothing herein or in the document shall form the basis of or be relied on in connection with any contract or commitment whatsoever and neither Santander UK nor Santander, nor any of their respective affiliates, officers, agents, employees or advisors accept liability for any loss howsoever arising, whether direct or consequential, from, related to or in connection with any use of the document or otherwise arising in connection therewith. By accessing this document you agree to be bound by these provisions.

**FOSSE MASTER ISSUER PLC  
STS GUIDANCE - CAPITAL REQUIREMENTS REGULATION**

24 June 2025

|  |  |
| --- | --- |
| **Legislative text[[1]](#footnote-2)** | **Commentary[[2]](#footnote-3)** |
| **Chapter 5 - Article 243 - Criteria for STS securitisations qualifying for differentiated capital treatment** | |
| 2. Positions in a securitisation, other than an ABCP programme or ABCP transaction, that qualify as positions in an STS securitisation, shall be eligible for the treatment set out in Articles 260, 262 and 264 where the following requirements are met: |  |
| (a) at the time of inclusion in the securitisation, the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2 % of the exposure values of the aggregate outstanding exposure values of the pool of underlying exposures. For the purposes of this calculation, loans or leases to a group of connected clients shall be considered as exposures to a single obligor.  In the case of securitised residual leasing values, the first subparagraph of this point shall not apply where those values are not exposed to refinancing or resell risk due to a legally enforceable commitment to repurchase or refinance the exposure at a pre-determined amount by a third party eligible under Article 201(1); | The aggregate outstanding principal balance of all loans to a single borrower does not exceed 2.00% of the aggregate outstanding principal balance of all loans as of the cut-off date. See the form of final terms in the base prospectus (p. 287). |
| (b) at the time of their inclusion in the securitisation, the underlying exposures meet the conditions for being assigned, under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than:  (i) 40% on an exposure value-weighted average basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in point (e) of Article 129(1);  (ii) 50% on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;  (iii) 75% on an individual exposure basis where the exposure is a retail exposure;  (iv) for any other exposures, 100 % on an individual exposure basis; | Each loan has a standardised risk weight equal to or smaller than 40% on an exposure value-weighted average basis for the portfolio as at the relevant assignment date, as such terms are described in Article 243 of the Capital Requirements Regulation (see para 1.25 of schedule 1 of the mortgage sale agreement). See loan warranty (25) in the base prospectus section "Description of the Transaction Documents—Representations and warranties" (p. 115-121). |
| (c) where points (b)(i) and (b)(ii) apply, the loans secured by lower ranking security rights on a given asset shall only be included in the securitisation where all loans secured by prior ranking security rights on that asset are also included in the securitisation; | The portfolio is comprised of residential mortgage loans, each of which constitute a first charge by way of a legal mortgage or a first ranking standard security over residential properties located in England, Wales, or Scotland (see paras 2.3 and 3.1 of schedule 1 of the mortgage sale agreement). See the base prospectus section "The loans" (p. 239-257). |
| (d) where point (b)(i) of this paragraph applies, no loan in the pool of underlying exposures shall have a loan-to-value ratio higher than 100 %, at the time of inclusion in the securitisation, measured in accordance with point (d)(i) of Article 129(1) and Article 229(1). | No loan has an indexed LTV higher than 100% at the time of inclusion in the securitisation (or such other maximum LTV as may be specified from time to time for the purposes of Article 243 of the Capital Requirements Regulation) (see para 1.24 of schedule 1 of the mortgage sale agreement). See loan warranty (24) in the base prospectus section " Description of the Transaction Documents —Representations and warranties" (p. 115-121). |

1. Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, as amended by Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (together, the **CCR**). The table contains a summary of the regulations and does not purport to be complete or an indication of what regulations may or may not be relevant to an assessment of any proposed transaction. [↑](#footnote-ref-2)
2. The table contains commentary based on Santander UK's interpretation of the CRR informed by, among other things, the text of the CRR itself and applicable guidelines and recommendations. [↑](#footnote-ref-3)