**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 - LIQUIDITY COVERAGE REQUIREMENT**

24 June 2025

|  |  |
| --- | --- |
| **LCR / STS legislative text[[1]](#footnote-2)** | **Commentary[[2]](#footnote-3)** |
| **Article 13 - Level 2B securitisations** | |
| 1. Exposures in the form of asset-backed securities as referred to in Article 12(1)(a) shall qualify as level 2B securitisations where the following conditions are satisfied:  (a) the designation ‘STS’ or ‘simple, transparent and standardised’, or a designation that refers directly or indirectly to those terms, is permitted to be used for the securitisation in accordance with regulation 12 of the Securitisation Regulations 2024 (SI 2024/102) and is being so used; | Santander UK, as originator, may procure the submission of a notification to the FCA as the relevant competent authority in the UK in accordance with 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. See the section “UK Securitisation Framework and EU Securitisation Regulation—UK STS requirements” in the form of final terms in the base prospectus (p. 295).  The Fosse Master Issuer plc’s residential mortgage-backed securitisation satisfies the requirements of Article 13 (Level 2B securitisations) for asset-backed securities, as set out below. |
| (b) the criteria laid down in paragraph 2 and paragraphs 10 to 13 of this Article are met. |
| 2. The securitisation position and the exposures underlying the position shall meet all the following requirements: |  |
| (a) the position has been assigned a credit assessment of credit quality step 1 by a nominated ECAI in accordance with Article 264 of CRR or the equivalent credit quality step in the event of a short-term credit assessment; | The class A notes issued under the programme are expected to be rated by two or more of Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Services Europe Limited (AAA to AA-), Moody's Investors Service Limited (Aaa to Aa3) and Fitch Ratings Ltd. (AAA to AA-). See item 9 of the form of final terms in the base prospectus (p. 267).  Payments of interest and principal on the class A notes issued under the programme rank ahead of payments of interest and principal on the class B notes, the class M notes, the class C notes, and the class Z notes. See the base prospectus section “Cashflows” (pp. 195-216). |
| (b) the position is in the most senior tranche or tranches of the securitisation and possesses the highest level of seniority at all times during the ongoing life of the transaction. For these purposes, a tranche shall be deemed to be the most senior where after the delivery of an enforcement notice and where applicable an acceleration notice, the tranche is not subordinated to other tranches of the same securitisation transaction or scheme in respect of receiving principal and interest payments, without taking into account amounts due under interest rate or currency derivative contracts, fees or other similar payments in accordance with Article 242(6) of CRR; |
| (g) the securitisation position is backed by a pool of underlying exposures and those underlying exposures either all belong to only one of the following subcategories or else they consist of a combination of residential loans referred to in point (i):  (i) residential loans secured with a first-ranking mortgage granted to individuals for the acquisition of their main residence, provided that one of the two following conditions is met:  – the loans in the pool meet on average the loan-to-value requirement laid down in point (i) of Article 129(1)(d) of CRR;  – the national law of the jurisdiction where the loans were originated provides for a loan-to-income limit on the amount that an obligor may borrow in a residential loan. The loan-to- income limit is calculated on the gross annual income of the obligor, taking into account the tax obligations and other commitments of the obligor and the risk of changes in the interest rates over the term of the loan. For each residential loan in the pool, the percentage of the obligor's gross income that may be spent to service the loan, including interest, principal and fee payments, does not exceed 45%;  (iii) commercial loans, leases and credit facilities to undertakings established in the United Kingdom to finance capital expenditures or business operations other than the acquisition or development of commercial real estate, provided that at least 80 % of the borrowers in the pool in terms of portfolio balance are small and medium- sized enterprises at the time of issuance of the securitisation, and none of the borrowers is an institution as defined in Article 4(1)(3) of CRR;  (iv) auto loans and leases to borrowers or lessees established or resident in the United Kingdom. For these purposes, auto loans and leases shall include loans or leases for the financing of motor vehicles or trailers as defined in provisions implementing points (11) and (12) of Article 3 of Directive 2007/46/EC of the European Parliament and of the Council, tractors as defined in point (8) of Article 3 of Regulation (EU) No 167/2013 of the European Parliament and of the Council (as it had effect immediately before exit day), powered two-wheelers or powered tricycles as defined in points (68) and (69) of Article 3 of Regulation (EU) No 168/2013 of the European Parliament and of the Council (as it had effect immediately before exit day) or tracked vehicles as referred to in provisions implementing point (c) of Article 2(2) of Directive 2007/46/EC. Such loans or leases may include ancillary insurance and service products or additional vehicle parts, and in the case of leases, the residual value of leased vehicles. All loans and leases in the pool shall be secured with a first-ranking charge or security over the vehicle or an appropriate guarantee in favour of the SSPE, such as a retention of title provision;  (v) loans and credit facilities to individuals resident in the [United Kingdom](https://www.prarulebook.co.uk/pra-rules/liquidity-coverage-ratio-crr/16-04-2025#glossary-term-f7844a8cbb824a52a26c043e3f6b584e) for personal, family or household consumption purposes. | Note only paragraph (i) applies, and paragraphs (iii) to (v) do not apply.  The portfolio is comprised of residential mortgage loans based on standard form documentation (see para 1.6(a) of schedule 1 of the mortgage sale agreement) originated and/or acquired by Santander UK plc and the Santander UK Group (see para 1.2 of schedule 1 of the mortgage sale agreement), 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” (pp. 239-257). See also para 1.22 of schedule 1 of the mortgage sale agreement and loan warranty (22) in the base prospectus section “Description of the Transaction Documents—Representations and warranties” (p. 115-121), confirming that each loan is of a type described in paragraph 2(g)(i) of Article 13. |
| 10. The underlying exposures shall not have been originated by the credit institution holding the securitisation position in its liquidity buffer, its subsidiary, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with that credit institution. | The loans have been originated by Santander UK, and not by its liquidity buffer, its subsidiary, its parent undertaking, a subsidiary of its parent undertaking or any other undertaking closely linked with Santander UK. See the base prospectus section “Santander UK plc and the Santander UK Group” (p. 226-227). |
| 11. The issue size of the tranche shall be at least GBP 88 million (or the equivalent amount in domestic currency). | The issue size of the tranche of notes are expected to be at least GBP 88 million (or the sterling equivalent). See the form of final terms in the base prospectus (p. 264 – 301). |
| 12. The remaining weighted average life of the tranche shall be 5 years or less, which shall be calculated using the lower of either the transaction's pricing prepayment assumption or a 20% constant prepayment rate, for which the credit institution shall assume that the call is exercised on the first permitted call date. | The remaining weighted average life of the tranche of notes is expected to be 5 years or less, which is calculated using the lower of either the programme’s pricing prepayment assumption or a 20% constant prepayment rate. See the sections “Maturity and prepayment considerations” and “Principal prepayment rate and possible average lives of each series and class (or sub-class) of issue []-[] notes (in years)” in the form of final terms in the base prospectus (p. 285). |
| 13. The originator of the exposures underlying the securitisation shall be an institution as defined in Article 4(3) of CRR or an undertaking whose principal activity is to pursue one or more of the activities listed in points 2 to 12 and point 15 of Annex I to Directive 2013/36/EU, as that Directive has effect immediately before exit day, provided that for the purposes of this paragraph the reference in point 4 of Annex 1 to that Directive to point (3) of Article 4 of Directive (EU) 2015/2366 is to be read as a reference to regulation 2 of the Payment Services Regulations 2017. | Santander UK is an institution as defined in Article 4(3) of CRR. See the base prospectus section “Santander UK plc and the Santander UK Group” (p.226-227). |

1. Delegated Regulation (EU) 2015/61 with regard to liquidity coverage requirement for credit institutions, as amended by Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) as amended from time to time (together, the **LCR**) and incorporated into Chapter 2 of the Liquidity Coverage Ratio (**CRR**) Part of the PRA Rulebook. 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 LCR informed by, among other things, the text of the LCR itself and applicable guidelines and recommendations. [↑](#footnote-ref-3)