

**EXECUTION COPY**

**EIGHTH AMENDED AND RESTATED BANK ACCOUNT  
AGREEMENT**

**DATED 18 DECEMBER 2014**

**HOLMES FUNDING LIMITED**

as Funding

and

**HOLMES TRUSTEES LIMITED**

as Mortgages Trustee

and

**SANTANDER UK PLC**

as Cash Manager and as Account Bank B

and

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

as Account Bank A and Security Trustee

**ALLEN & OVERY**

**ALLEN & OVERY LLP**

London

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**THIS EIGHTH AMENDED AND RESTATED BANK ACCOUNT AGREEMENT** is made on 18 December 2014 (the **Agreement**)

**BETWEEN:**

- (1) **HOLMES FUNDING LIMITED** (registered number 3982428), 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 (**Funding**);
- (2) **HOLMES TRUSTEES LIMITED** (registered number 3982431), a private limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (the **Mortgages Trustee**);
- (3) **SANTANDER UK PLC** (formerly known as Abbey National plc), a public limited company incorporated under the laws of England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN, in its capacity as Cash Manager to Funding and the Mortgages Trustee pursuant to the Cash Management Agreement (the **Cash Manager**) and in its capacity as account bank (in respect of the Mortgages Trustee GIC Account and the Funding GIC Account) acting from the branch located at 21 Prescott Street, London E1 8AD (**Account Bank B**);
- (4) **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 Transaction Account (**Account Bank A**, and together with Account Bank B, the **Account Banks**); and
- (5) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH** whose principal office is at 40th Floor, One Canada Square, London E14 5AL (the **Security Trustee**, which expression, where the context permits, shall include such company and all other persons and companies for the time being acting as the trustee or trustees under the Funding Deed of Charge).

**WHEREAS:**

- (A) On the Initial Closing Date, Funding and (among others) the Mortgages Trustee entered into a bank account agreement (as amended, restated and/or supplemented from time to time, the **Bank Account Agreement**) pursuant to which Abbey National plc (now known as Santander UK plc), acting in its capacities as the Cash Manager and Account Bank, agreed to provide certain account bank services to Funding and the Mortgages Trustee in respect of the Funding Transaction Account, the Funding GIC Account and the Mortgages Trustee GIC Account.
- (B) The parties to the Bank Account Agreement have agreed to amend and restate the terms of the Bank Account Agreement as set out herein.
- (C) The obligations of the Account Banks are several and not joint.

**IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 The Twelfth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Slaughter and May on the date hereof (and as the same may be amended, varied or supplemented from time to time) (the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Schedule (as so

amended, varied or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the Recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in Clause 2 of the Master Definitions and Construction Schedule.

1.2 Any reference in this Agreement to any discretion, power, right, duty or obligation on the part of the Mortgages Trustee shall be as exercised by the Mortgages Trustee only as directed by the Beneficiaries but subject in each case to the provisions of **Clauses 13.2 and 13.3** of the Mortgages Trust Deed.

1.3 The Bank Account Agreement shall continue in full force and effect but on the basis that its terms are, as from the date of this Agreement, those set out in this Agreement.

## **2. THE FUNDING TRANSACTION ACCOUNT, THE FUNDING GIC ACCOUNT AND THE MORTGAGES TRUSTEE GIC ACCOUNT**

### **2.1 Instructions from the Cash Manager**

(a) Subject to Clause 6.5:

(i) Account Bank A shall comply with any direction of the Cash Manager to effect a payment by debiting the Funding Transaction Account, if such direction (x) is in writing and (y) complies with the Funding Transaction Account Mandate (attached in Schedule 1).

(ii) Account Bank B shall comply with any direction of the Cash Manager to effect a payment by debiting the Mortgages Trustee GIC Account or the Funding GIC Account (as appropriate), if such direction (x) is in writing or is given by telephone and confirmed in writing not later than close of business on the day on which such direction is given and (y) complies with the Mortgages Trustee GIC Account Mandate or the Funding GIC Account Mandate (as appropriate).

(b) Pursuant to this Agreement:

(i) Account Bank A shall be entitled to rely on any written direction which, in its opinion (acting reasonably and in good faith), purports to be given by any Authorised Signatory referred to in the Funding Transaction Account Mandate from time to time; and

(ii) Account Bank B shall be entitled to rely on any direction given by telephone which, in its opinion (acting reasonably and in good faith), purports to be given by any Authorised Signatory referred to in the Mortgages Trustee GIC Account Mandate or the Funding GIC Account Mandate (as appropriate) from time to time and in respect of which the person giving the direction quotes a code reference notified in writing by the Cash Manager from time to time to Account Bank B and no delay in giving (or the absence of giving) a written confirmation of any such direction to Account Bank B shall affect the validity of, or time of giving, the relevant telephone direction.

### **2.2 Timing of Payment**

Without prejudice to the provisions of **Clause 3**:

- (i) Account Bank A agrees that if directed pursuant to **Clauses 2.1(a)(i)** and/or **2.1(b)(i)** to make any payment then, subject to **Clauses 2.4** and **6.1 below**, it will do so prior to close of business on the London Business Day on which such direction is received and for value that day *provided that*, if any direction is received later than 11:00 a.m. on any London Business Day, Account Bank A shall make such payment at the commencement of business on the following London Business Day for value that day, unless otherwise agreed between Account Bank A and the Cash Manager; and
- (ii) Account Bank B agrees that if directed pursuant to **Clauses 2.1(a)(ii)** and/or **2.1(b)(ii)** to make any payment then, subject to **Clauses 2.4** and **6.1 below**, it will do so prior to close of business on the London Business Day on which such direction is received and for value that day *provided that*, if any direction is received later than 11:00 a.m. on any London Business Day, Account Bank B shall make such payment at the commencement of business on the following London Business Day for value that day.

### **2.3 Account Bank Charges**

- (a) The charges of Account Bank A for the operation of the Funding Transaction Account and the charges of Account Bank B for the operation of the Mortgages Trustee GIC Account and the Funding GIC Account shall be debited to the Funding Transaction Account, the Funding GIC Account or the Mortgages Trustee GIC Account (as appropriate) and, in each case only on the first day of each month (or, if such day is not a Business Day, the next succeeding Business Day) in accordance with the order of priority set out in the Funding Deed of Charge or pursuant to the Mortgages Trust Deed, and each of Funding and the Mortgages Trustee by its execution hereof irrevocably agrees that this shall be done.
- (b) The charges of Account Bank A shall be separately agreed between Account Bank A and Funding and shall be notified to the Security Trustee and each of the Rating Agencies provided that, subject to **Clause 8.7**, if there are insufficient funds standing to the credit of the Funding Transaction Account to pay such charges Account Bank A shall not be relieved of its obligations in respect of the Funding Transaction Account.
- (c) The charges of Account Bank B shall be payable at the same rates as are generally applicable to the business customers of Account Bank B provided that, subject to **Clause 8.7**, if there are insufficient funds standing to the credit of the Mortgages Trustee GIC Account to pay such charges Account Bank B shall not be relieved of its obligations in respect of the Mortgages Trustee GIC Account.

### **2.4 No Negative Balance**

Notwithstanding the provisions of **Clause 2.1**, amounts shall only be withdrawn from the Funding Transaction Account, the Funding GIC Account or the Mortgages Trustee GIC Account (as appropriate) to the extent that such withdrawal does not cause the Funding Transaction Account, the Funding GIC Account or the Mortgages Trustee GIC Account (as appropriate), to have a negative balance. Amounts shall only be credited to the Funding Transaction Account to the extent that Account Bank A has received cleared funds in respect of such credit.

### **2.5 Opening of Funding Transaction Account with Account Bank A**

The parties hereto agree and acknowledge that, on or prior to the date of this Agreement the existing transaction account held with Santander UK in the name of Funding will be closed and the new Funding Transaction Account will be opened with The Bank of New York Mellon, acting through its

London Branch (in its capacity as Account Bank A), subject to the terms of this Agreement and the Funding Transaction Account Mandate.

## **2.6 Account Bank A as banker**

- (a) The parties hereto agree and acknowledge that all money that The Bank of New York Mellon (acting through its London Branch) in its capacity as Account Bank A holds for Funding under this Agreement is held by it as banker and not as trustee (or in Scotland as agent) under the Client Money Rules. If the Account Bank fails (as this term is used in the glossary of the FCA Rules), the Client Money Distribution Rules will not apply to such money and so Funding will not be entitled to share in any distribution under the Client Money Distribution Rules.
- (b) For the purposes of this Clause 2.6 (*Account Bank A as banker*), the following terms have the respective meanings set out below:
  - (i) **Client Assets Sourcebook** means the CASS sourcebook as set out in the FCA Rules;
  - (ii) **Client Money Distribution Rules** means the client money distribution rules set out in Chapter 7A of the Client Assets Sourcebook;
  - (iii) **Client Money Rules** means the client money rules set out in Chapter 7 of the Client Assets Sourcebook;
  - (iv) **FCA** means the United Kingdom Financial Conduct Authority (and any successor regulatory authority);
  - (v) **FCA Rules** means the rules and guidance of the FCA promulgated by the FCA under FSMA as amended or replaced from time to time; and
  - (vi) **FSMA** means the Financial Services and Markets Act 2000.

## **3. PAYMENT**

### **Instructions from the Cash Manager**

- (a) Without prejudice to the Eligible Bank Terms and Conditions, the Cash Manager shall:
  - (i) in the case of payments from the Funding Transaction Account (including the payments due to be made on each Interest Payment Date but excluding deposits to be made with Eligible Banks in accordance with the Panel Bank Guidelines), submit to Account Bank A irrevocable written instructions as to the payments to be made out of such account; and
  - (ii) in the case of payments from the Mortgages Trustee GIC Account and/or the Funding GIC Account (including the payments due to be made on each Interest Payment Date), submit to Account Bank B irrevocable written instructions, instructions by way of e-mail or instructions by way of the internet banking service provided by Account Bank B as to the payments to be made out of the Mortgages Trustee GIC Account and/or the Funding GIC Account (as the case may be),

in each case, by no later than 11:00 am on the London Business Day that the relevant payment is to be made.

- (b) Provided that the Account Banks are in receipt of sufficient funds on the relevant London Business Day on which payment is due to be made and the direction for such payment is given in accordance with Clause 2.2, the Account Banks shall comply with the instructions described in paragraph 3.1(a) and shall effect the payments specified in such instructions not later than the time specified for payment thereof (provided that the Account Banks shall not have any liability to any person if it fails to effect timely payment by reason of strike, computer failure, power cut or other matters beyond its control) on the relevant date if the instructions comply with the relevant Mandate and this Agreement.
- (c) The Cash Manager (on behalf of Funding) may submit to Account Bank A instructions on the monies to be deposited with Eligible Banks, in accordance with clause 3 of the Eligible Bank Terms and Conditions.

## **4. MANDATES AND STATEMENTS**

### **4.1 Signing and Delivery of Mandates**

- (a) Funding has delivered to Account Bank A on or prior to the date of this Agreement the Funding Transaction Account Mandate (attached in Schedule 1) in the form duly executed pursuant to this Agreement and relating to the Funding Transaction Account, and Account Bank A hereby confirms to the Security Trustee that the Funding Transaction Account Mandate has been provided to it, that the Funding Transaction Account is open and that the Funding Transaction Account Mandate is operative.
- (b) The Mortgages Trustee has delivered to Account Bank B prior to the Initial Closing Date the relevant Mandates in the forms duly executed pursuant to the bank account agreement dated 26 July 2000 and relating to the Mortgages Trustee GIC Account and the Funding GIC Account, and Account Bank B hereby confirms to the Security Trustee that the Mandates have been provided to it, that the Mortgages Trustee GIC Account and the Funding GIC Account are open and that the respective Mandates are operative.

### **4.2 Amendment or Revocation**

- (a) Account Bank A agrees that it shall notify the Security Trustee as soon as is reasonably practicable, if it receives notice of any amendment or revocation of the Mandate relating to the Funding Transaction Account (other than a change of Authorised Signatory) and shall require the written consent of the Security Trustee to any such amendment or revocation (other than a change of Authorised Signatory) but, unless such Mandate is revoked, Account Bank A may continue to comply with the amended Mandate unless it receives notice in writing from the Security Trustee to the effect that an Intercompany Loan Enforcement Notice has been served or that the appointment of Santander UK plc as Cash Manager under the Cash Management Agreement has been terminated.
- (b) Account Bank B agrees that it shall notify the Security Trustee as soon as is reasonably practicable, if it receives notice of any amendment or revocation of any Mandate relating to the Mortgages Trustee GIC Account or the Funding GIC Account (other than a change of Authorised Signatory) and shall require the written consent of the Security Trustee to any such amendment or revocation (other than a change of Authorised Signatory) but, unless such Mandate is revoked, Account Bank B may continue to comply with the amended Mandate unless it receives notice in writing from the Security Trustee to the effect that an Intercompany Loan Enforcement Notice has been served or that the appointment of Santander UK plc as Cash Manager under the Cash Management Agreement has been terminated.

#### **4.3 Statements**

- (a) Account Bank A shall submit monthly written statements to the Cash Manager setting out the amounts standing to the credit of the Funding Transaction Account as at the close of business on the immediately preceding London Business Day within three London Business Days of the statement date.
- (b) Account Bank B shall submit monthly written statements to the Cash Manager setting out the amounts standing to the credit of the Mortgages Trustee GIC Account and the Funding GIC Account respectively as at the close of business on the immediately preceding London Business Day within three London Business Days of the statement date.

### **5. ACKNOWLEDGEMENT BY THE ACCOUNT BANKS**

#### **5.1 Restriction on Account Bank's Rights**

Notwithstanding anything to the contrary in the Mandates, each of (i) Account Bank A (in respect of the Funding Transaction Account) and (ii) Account Bank B (in respect of the Mortgages Trustee GIC Account and the Funding GIC Account) hereby:

- (a) waives any right it has or may hereafter acquire to combine, consolidate or merge the Funding Transaction Account and/or the Funding GIC Account and/or the Mortgages Trustee GIC Account (as applicable) with any other account of the Cash Manager, the Mortgages Trustee, Funding, the Seller, the Security Trustee or any other person or any liabilities of the Cash Manager, the Mortgages Trustee, Funding, the Seller, the Security Trustee or any other person to it;
- (b) agrees that it may not exercise any lien or, to the extent permitted by law, any set-off or transfer any sum standing to the credit of or to be credited to the Funding Transaction Account and/or the Funding GIC Account and/or the Mortgages Trustee GIC Account (as applicable) in or towards satisfaction of any liabilities to it of the Cash Manager, the Mortgages Trustee, Funding, the Seller, the Security Trustee or any other person;
- (c) agrees that it will not take, and shall not take, any steps whatsoever to recover any amount due or owing to it pursuant to this Agreement or any other debts whatsoever owing to it by the Mortgages Trustee or Funding, or procure the winding-up or liquidation of the Mortgages Trustee or Funding or the making of an administration order in relation to the Mortgages Trustee or Funding in respect of any of the liabilities of the Mortgages Trustee or Funding whatsoever;
- (d) agrees that it shall have recourse only to sums paid to or received by (or on behalf of) the Mortgages Trustee or Funding pursuant to this Agreement, the Mortgage Sale Agreement, the Mortgages Trust Deed, the Intercompany Loan Agreements, the Funding Swap Agreement or any other document entered into by the Mortgages Trustee and Funding in relation to the Intercompany Loans or the Loans;
- (e) agrees that it will notify:
  - (i) the Cash Manager, Funding and the Security Trustee if compliance with any instruction would cause the Funding Transaction Account to have a negative balance;
  - (ii) the Cash Manager, Funding and the Security Trustee if compliance with any instruction would cause the Funding GIC Account to have a negative balance; and



- (iii) the Cash Manager, the Mortgages Trustee and the Security Trustee if compliance with any instruction would cause the Mortgages Trustee GIC Account to time have a negative balance;

such notification to be given on the same London Business Day it determines that compliance with such instruction would cause any such account to have a negative balance; and

- (f) acknowledges that Funding has, pursuant to the Funding Deed of Charge, *inter alia*, assigned by way of security all its rights, title, interest and benefit, present and future, in and to, all sums from time to time standing to the credit of the Funding Transaction Account and the Funding GIC Account and all of its rights under this Agreement to the Security Trustee.

## **5.2 Monthly Statement**

Unless and until directed otherwise by the Security Trustee:

- (a) Account Bank A shall provide each of the Cash Manager, Funding and the Security Trustee with a statement in respect of the Funding Transaction Account automatically on a monthly basis in accordance with Clause 4.3(a) above and also as soon as reasonably practicable after receipt of a request for a statement. Account Bank A is hereby authorised by Funding to provide statements in respect of the Funding Transaction Account to the Cash Manager and the Security Trustee; and
- (b) Account Bank B shall provide each of the Cash Manager, Funding and the Security Trustee with a statement in respect of the Funding GIC Account automatically on a monthly basis in accordance with Clause 4.3(b) above and also as soon as reasonably practicable after receipt of a request for a statement. Account Bank B is hereby authorised by Funding to provide statements in respect of the Funding GIC Account to the Cash Manager and the Security Trustee; and
- (c) Account Bank B shall provide each of the Cash Manager, the Mortgages Trustee and the Security Trustee with a statement in respect of the Mortgages Trustee GIC Account automatically on a monthly basis in accordance with Clause 4.3(b) above and also as soon as reasonably practicable after receipt of a request for a statement. Account Bank B is hereby authorised by the Mortgages Trustee (as trustee for the Beneficiaries) to provide statements in respect of the Mortgages Trustee GIC Account to the Cash Manager and the Security Trustee.

## **6. CERTIFICATION, INDEMNITY AND ENFORCEMENT NOTICE**

### **6.1 Account Banks to Comply with Cash Manager's Instructions**

- (a) Unless otherwise directed by the Security Trustee pursuant to **Clause 6.5**, in making any transfer or payment from the Funding Transaction Account in accordance with this Agreement, Account Bank A shall be entitled to act as directed by the Cash Manager pursuant to **Clauses 2.1 and 3** and to rely as to the amount of any such transfer or payment on the Cash Manager's instructions in accordance with the relevant Mandate, and Account Bank A shall have no liability to the Cash Manager, the Mortgages Trustee, Funding, the Seller, the Security Trustee or any other person for acting in accordance with any such instruction except in the case of its wilful default or negligence.
- (b) Unless otherwise directed by the Security Trustee pursuant to **Clause 6.5**, in making any transfer or payment from the Mortgages Trustee GIC Account or the Funding GIC Account

in accordance with this Agreement, Account Bank B shall be entitled to act as directed by the Cash Manager pursuant to **Clauses 2.1 and 3** and to rely as to the amount of any such transfer or payment on the Cash Manager's instructions in accordance with the relevant Mandate, and Account Bank B shall have no liability to the Cash Manager, the Mortgages Trustee, Funding, the Seller or the Security Trustee except in the case of its wilful default or negligence.

- (c) Each Party accepts that some methods of communication are not secure and Account Bank A shall incur no liability for receiving instructions or directions or (upon Funding's or the Cash Manager's request) transmitting statements of account or other data to Funding or the Cash Manager via any such non-secure method. All statements of account, confirmations, notices, instructions, directions and other communications between the parties shall be delivered to the address set out in Clause 12, which address may be changed upon five (5) Business Days' prior written notice to the other parties. Funding, the Cash Manager and the Security Trustee shall (in accordance with the Funding Transaction Account Mandate attached in Schedule 1) provide Account Bank A with the names and specimen signatures of each Authorised Person that Account Bank A is authorised to comply with and rely upon any such notices, instructions, directions or other communications believed by it to have been sent or given by an Authorised Person. Funding, the Cash Manager or the Security Trustee may amend such certificate or add any person to or delete any person from such certificate by delivering a replacement certificate to Account Bank A. However, until Account Bank A actually receives such replacement certificate, Account Bank A may rely upon and shall incur no liability for relying upon the original certificate.
- (d) An Authorised Person shall use all reasonable endeavours to ensure that instructions or directions transmitted to Account Bank A pursuant to this Agreement and the Funding Transaction Account Mandate are correct and complete. Any instructions or directions shall be conclusively deemed to be valid instructions and/or directions to Account Bank A for the purposes of this Agreement. However, Account Bank A, acting reasonably, may decline to act upon any instructions and/or directions which (i) are insufficient or incomplete for the purposes of this Agreement or (ii) without prejudice to Clauses 2.2, 3 and 7.4 which shall apply in respect of the timing of payment instructions and/or instructions as to monies to be deposited with Eligible Banks, are not received by Account Bank A in sufficient time for Account Bank A to act upon such instructions and/or directions.

## **6.2 Funding's Indemnity**

Funding shall indemnify (i) Account Bank A to the extent of funds then standing to the credit of the Funding Transaction Account and (ii) Account Bank B to the extent of funds then standing to the credit of the Funding GIC Account, against any loss, cost, damage, charge or expense incurred by the relevant Account Bank in complying with any instruction delivered pursuant to and in accordance with this Agreement, save that this indemnity shall not extend to:

- (a) the charges of Account Bank A (if any) for the operation of the Funding Transaction Account other than as provided in this Agreement;
- (b) the charges of Account Bank B (if any) for the operation of the Funding GIC Account other than as provided in this Agreement; and
- (c) any loss, cost, damage, charge or expense arising from any breach by the Account Bank A, or the Account Bank B (as appropriate), of its obligations under this Agreement.

### **6.3 Mortgages Trustee Indemnity**

The Mortgages Trustee shall indemnify Account Bank B to the extent of funds then standing to the credit of the Mortgages Trustee GIC Account against any loss, cost, damage, charge or expense incurred by Account Bank B in complying with any instruction delivered pursuant to and in accordance with this Agreement, save that this indemnity shall not extend to:

- (a) the charges of Account Bank B (if any) for the operation of the Mortgages Trustee GIC Account other than as provided in this Agreement; and
- (b) any loss, cost, damage, charge or expense arising from any breach by Account Bank B of its obligations under this Agreement.

### **6.4 Survival of Indemnities**

The indemnities set out in Clauses 6.2 and 6.3 shall survive the termination of this Agreement.

### **6.5 Consequences of an Intercompany Loan Enforcement Notice**

Each of the Account Banks acknowledges that, if it receives notice in writing from the Security Trustee to the effect that (a) the Security Trustee has served an Intercompany Loan Enforcement Notice or (b) that the appointment of Santander UK plc as Cash Manager under the Cash Management Agreement has been terminated (but without prejudice to **Clause 6.1** above) all right, authority and power of the Cash Manager in respect of the Mortgages Trustee GIC Account, the Funding Transaction Account or the Funding GIC Account shall be terminated and be of no further effect and each of the Account Banks agrees that it shall, upon receipt of such notice from the Security Trustee, comply with the directions of the Security Trustee or any successor cash manager appointed by the Security Trustee (subject to such successor cash manager having entered into an agreement with the Account Banks on substantially the same terms as this Agreement) in relation to the operation of (i) the Funding Transaction Account, in respect of Account Bank A and (ii) the Mortgages Trustee GIC Account and the Funding GIC Account, in respect of Account Bank B.

## **7. CHANGE OF SECURITY TRUSTEE OR ACCOUNT BANK**

### **7.1 Change of Security Trustee**

In the event that there is any change in the identity of the Security Trustee or an additional Security Trustee is appointed in accordance with the Funding Deed of Charge, the existing Security Trustee or the retiring Security Trustee, the Cash Manager, the Seller, the Mortgages Trustee, Funding and each of the Account Banks shall execute such documents and take such actions as such of the new Security Trustee and the retiring Security Trustee or, as the case may be, the existing Security Trustee shall agree are reasonably necessary for the purpose of vesting in such new Security Trustee the rights, benefits and obligations of the Security Trustee under this Agreement and releasing the retiring Security Trustee from its future obligations hereunder. It is acknowledged that a trust corporation may be appointed as sole trustee and in the event that there are one or more Security Trustees, at least one of such Security Trustees shall be a trust corporation.

### **7.2 Change of Account Bank**

If there is any change in the identity of (i) Account Bank A or (ii) Account Bank B, the Cash Manager, the Mortgages Trustee, Funding and the Security Trustee shall execute such documents and take such actions as the relevant new Account Bank and the relevant outgoing Account Bank and the Security Trustee may require for the purpose of vesting in the relevant new Account Bank

the rights and obligations of the relevant outgoing Account Bank and releasing the relevant outgoing Account Bank from its future obligations under this Agreement.

### **7.3 Alternative Accounts**

If, after the Initial Closing Date, the Mortgages Trustee and the Beneficiaries agree that any Monthly Payments, other interest received under and in respect of the Loans and any costs or other amounts received under the Loans (including in any such case amounts recovered on enforcement of rights against any Borrower, the Property or the Borrower's other property or assets) may be paid directly into an account other than the Mortgages Trustee GIC Account (an "**Alternative Account**"), then such agreement will be subject to the following terms:

- (a) the Alternative Account is maintained in the name of the Mortgages Trustee;
- (b) the Alternative Account is maintained with a bank (i) whose unguaranteed and unsubordinated 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, unguaranteed and unsubordinated 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;
- (c) amounts standing to the credit of the Alternative Account are transferred by the Cash Manager to the Mortgages Trustee GIC Account not later than one London Business Day after the date that they are deposited in the Alternative Account;
- (d) written notice is given to the bank at which the Alternative Account is maintained that the sums standing to the credit thereof are held on trust by the Mortgages Trustee for the Beneficiaries pursuant to the terms of the Mortgages Trust Deed and such bank acknowledges that trust in writing; and
- (e) the bank at which the Alternative Account is held enters into such agreements with the Security Trustee, Funding and/or the Mortgages Trustee as the Rating Agencies shall reasonably require for the purpose of protecting monies standing to the credit of the Alternative Accounts.

### **7.4 Eligible Banks**

Notwithstanding the provisions of clauses 7.1 and 7.2 of the Funding Deed of Charge:

- (a) Account Bank A will act upon instructions from the Cash Manager to place all or part of the amounts standing to the credit of the Funding Transaction Account with Eligible Banks or to transfer all or part of such amounts to the Funding GIC Account. The Cash Manager shall in providing such instructions act in accordance with the Panel Bank Guidelines and the Cash Management Agreement and upon receipt of such instructions from the Cash Manager or Funding in relation to placing such amounts with Eligible Banks, the parties agree that Account Bank A is acting in accordance with and subject to the Eligible Bank Terms and Conditions and has the benefit of the rights and is subject to the obligations set out therein. The Cash Manager shall ensure that instructions are provided to deposit amounts standing to the credit of the Funding Transaction Account from time to time with Eligible Banks only to the extent that the interest rate achievable on these deposits is equal to or higher than (i) the Funding GIC Rate or (ii) if Santander UK is no longer acting as Funding GIC Provider, such other minimum interest rate (as notified to the Rating Agencies) which shall not cause the then current ratings of the Notes to be downgraded, withdrawn or qualified. The Cash

Manager shall promptly confirm with the Rating Agencies whether such rates would cause the then current ratings of the Notes to be downgraded, withdrawn or qualified. If, following such notification, the Cash Manager does not receive any indication from the Rating Agencies that such rates would cause the then current ratings of the Notes to be downgraded, withdrawn or qualified, the Cash Manager shall continue to deposit monies in accordance with this Clause 7.4(a);

- (b) Account Bank A will, in placing all or part of the amounts standing to the credit of the Funding Transaction Account with Eligible Banks, be acting as agent in the name and on behalf of Funding. Account Bank A acknowledges and agrees that it shall have no entitlement to such amounts and shall procure that (i) such amounts are invested for the benefit of Funding and (ii) any right, title, benefit and interest in, to and under such amounts shall at all times (including in the event of the insolvency of Account Bank A) be vested in Funding and further acknowledges and agrees that (x) Funding, or the Cash Manager on its behalf, may direct Eligible Banks to make payments in respect of such amounts otherwise than as provided in the relevant Eligible Bank Account Agreement in the event of the insolvency of Account Bank A and (y) to the extent that Account Bank A holds any right, title, benefit and interest in, to and under such amounts, Account Bank A shall hold such right, title, benefit and interest on trust for Funding; and
- (c) on (or promptly after) each Distribution Date, Account Bank A will provide to the Cash Manager and Funding a monthly report in the form set out in Schedule 2 below.

## **8. TERMINATION**

### **8.1 Termination Events of the Funding Transaction Account and the Funding GIC Account**

#### **(A) Termination Events of the Funding Transaction Account**

The Cash Manager or Funding:

- (i) may (with the prior written consent of the Security Trustee) close the Funding Transaction Account in the event that any of the matters specified in paragraphs (a) or (f) below occur; and
- (ii) shall (with the prior written consent of the Security Trustee) close the Funding Transaction Account in the event that any of the matters specified in paragraphs (b) to (e) (inclusive) below occur,

in each case by serving a written notice of termination on Account Bank A in any of the following circumstances:

- (a) if a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on the Funding Transaction Account; or
- (b) if:
  - (i) the short-term, unsubordinated, unguaranteed and unsecured debt obligation ratings of Account Bank A fall below P-1 by Moody's; or
  - (ii) the short-term and long-term "Issuer Default Ratings" of Account Bank A fall below F1 and A respectively by Fitch; or

- (iii) Account Bank A ceases to have unsubordinated, unguaranteed and unsecured debt obligation ratings of at least A-1 short-term and A long-term (or, if the relevant Account Bank has no short-term rating from S&P, at least A+ long-term) by S&P;

and (in each case) provided that Funding and/or the Cash Manager do not, within 30 calendar days of such an occurrence:

- (A) procure a guarantee of the obligations of Account Bank A under this Agreement in respect of the provision of the Funding Transaction Account from a financial institution (other than from, for the avoidance of doubt, the existing Account Bank A) (1) whose short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's, (2) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such institution has no short-term rating from S&P, at least A+ long-term) by S&P and (3) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively), by Fitch; or
  - (B) take such other actions as are required by the Rating Agencies to ensure that the ratings assigned to the Rated Notes are not adversely affected by the ratings downgrade (provided that in the case of (A) or (B) above, the Rating Agencies then rating the Rated Notes also confirm that the Rated Notes would not be adversely affected thereby);
- (c) if Account Bank A, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (e) below, ceases or, through an authorised action of the board of directors of Account Bank A, threatens to cease to carry on all or substantially all of its business as an account bank or Account Bank A, is deemed unable to pay its debts as and when they fall due within the meaning of Section 123(1) and 123(2) of the Insolvency Act 1986 (as that Section may be amended) or ceases to be an institution with a Part IV permission (which includes accepting deposits) under the FSMA; or
- (d) if an order is made or an effective resolution is passed for the winding-up of Account Bank A except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Mortgages Trustee (as trustee for the Beneficiaries) and Funding in writing (such approval not to be unreasonably withheld or delayed); or
- (e) if proceedings are initiated against Account Bank A, under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation (other than a reorganisation where Account Bank A is solvent) or other similar laws (including, but not limited to, presentation of a petition for an administration order) and (except in the case of presentation of petition for an administration order) such proceedings are not, in the reasonable opinion of the Mortgages Trustee (as trustee for the Beneficiaries) and Funding, being disputed in good faith with a reasonable prospect of success or an administration order is granted or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official is appointed in relation to Account Bank A, or in relation to the whole or any substantial part of the undertaking or assets of Account Bank A (in its capacity as or affecting it as Account Bank under this Agreement), or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of Account Bank A (in its capacity as or affecting it as Account Bank under this Agreement), or a distress, execution or diligence or other process is levied or enforced upon or sued out against the whole or any

substantial part of the undertaking or assets of Account Bank A (in its capacity as or affecting it as Account Bank under this Agreement), and such possession or process (as the case may be) is not discharged or otherwise ceases to apply within 30 calendar days of its commencement, or Account Bank A initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally; or

- (f) if Account Bank A fails to perform any of its obligations under this Agreement relating to the payment or transfer of monies in respect of the Funding Transaction Account and such failure remains unremedied for three Business Days after the Cash Manager or the Security Trustee has given notice of such failure.

In the event that the Funding Transaction Account is closed in accordance with this Clause 8.1(A), Funding and/or the Cash Manager shall procure the transfer of all of the rights and obligations of Account Bank A under this Agreement (other than the rights of the existing Account Bank A, under Clauses 2.3, 6.2 and 11 in so far as they apply and are due to the existing Account Bank A), in respect of the provision of the Funding Transaction Account and procure the transfer of all amounts standing to the credit of the Funding Transaction Account (if any and to the extent not placed with Eligible Banks in accordance with instructions from the Cash Manager) to account(s) held with an authorised institution under FSMA (1) whose short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's, (2) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such institution has no short-term rating from S&P, at least A+ long-term) by S&P, (3) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively), by Fitch and (4) which enters into an agreement in respect of the Funding Transaction Account in form and substance similar to this agreement for the provision of such replacement account (provided that the Rating Agencies then rating the Rated Notes also confirm that the Rated Notes would not be adversely affected thereby).

Upon receiving an instruction from the Cash Manager to do so, Account Bank A shall promptly notify each of the Eligible Banks with whom amounts have been deposited pursuant to instructions from the Cash Manager of the identity and details of the authorised institution appointed as replacement account bank for Account Bank A in accordance with paragraph (A)(i) above (subject to the receipt by Account Bank A of such information regarding the identity and details of the replacement account bank from the Cash Manager and/or Funding) and procure, using its reasonable endeavours, that each such Eligible Bank transfers, on the immediately following Interest Payment Date, all such amounts deposited with it to the account or accounts opened with the authorised institution in accordance with paragraph (A)(i) above as a replacement for the Funding Transaction Account held with Account Bank A.

In this Clause 8.1, each reference to "Account Bank A" shall be read as a reference to the bank at which the Funding Transaction Account are maintained, being, as at the date of this Agreement, The Bank of New York Mellon, acting through its London Branch.

#### **(B) Termination Events of the Funding GIC Account**

The Cash Manager or Funding:

- (i) may (with the prior written consent of the Security Trustee) close the Funding GIC Account in the event that any of the matters specified in paragraphs (a) or (f) below occur; and

- (ii) shall (with the prior written consent of the Security Trustee) close the Funding GIC Account in the event that any of the matters specified in paragraphs (b) to (e) (inclusive) below occur,

in each case by serving a written notice of termination on Account Bank B in any of the following circumstances:

- (a) if a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on the Funding GIC Account; or
- (b) if:
  - (i) the short-term, unsubordinated, unguaranteed and unsecured debt obligation ratings of Account Bank B fall below P-1 by Moody's; or
  - (ii) the short-term and long-term "Issuer Default Ratings" of Account Bank B fall below F1 and A respectively by Fitch; or
  - (iii) Account Bank B ceases to have unsubordinated, unguaranteed and unsecured debt obligation ratings of at least A-1 short-term and A long-term (or, if the relevant Account Bank has no short-term rating from S&P, at least A+ long-term) by S&P;

and (in each case) provided that Funding and/or the Cash Manager do not, within 30 calendar days of such an occurrence:

- (A) procure a guarantee of the obligations of Account Bank B under this Agreement in respect of the provision of the Funding GIC Account from a financial institution (other than from, for the avoidance of doubt, the existing Account Bank B) (1) whose short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's, (2) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such institution has no short-term rating from S&P, at least A+ long-term) by S&P and (3) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively), by Fitch; or
  - (B) take such other actions as are required by the Rating Agencies to ensure that the ratings assigned to the Rated Notes are not adversely affected by the ratings downgrade (provided that in the case of (A) or (B) above, the Rating Agencies then rating the Rated Notes also confirm that the Rated Notes would not be adversely affected thereby);
- (c) if Account Bank B, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (e) below, ceases or, through an authorised action of the board of directors of Account Bank B, threatens to cease to carry on all or substantially all of its business or Account Bank B, is deemed unable to pay its debts as and when they fall due within the meaning of Section 123(1) and 123(2) of the Insolvency Act 1986 (as that Section may be amended) or ceases to be an institution with a Part IV permission (which includes accepting deposits) under the FSMA; or
- (d) if an order is made or an effective resolution is passed for the winding-up of Account Bank B, except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Mortgages Trustee (as trustee for



the Beneficiaries) and Funding in writing (such approval not to be unreasonably withheld or delayed); or

- (e) if proceedings are initiated against Account Bank B, under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation (other than a reorganisation where Account Bank B is solvent) or other similar laws (including, but not limited to, presentation of a petition for an administration order) and (except in the case of presentation of petition for an administration order) such proceedings are not, in the reasonable opinion of the Mortgages Trustee (as trustee for the Beneficiaries) and Funding, being disputed in good faith with a reasonable prospect of success or an administration order is granted or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official is appointed in relation to Account Bank B or in relation to the whole or any substantial part of the undertaking or assets of Account Bank B, or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of Account Bank B, or a distress, execution or diligence or other process is levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of Account Bank B, and such possession or process (as the case may be) is not discharged or otherwise ceases to apply within 30 calendar days of its commencement, or Account Bank B initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally; or
- (f) if Account Bank B fails to perform any of its obligations under this Agreement in respect of the Funding GIC Account, and such failure remains unremedied for three Business Days after the Cash Manager or the Security Trustee has given notice of such failure.

In the event that the Funding GIC Account is closed in accordance with this Clause 8.1(B), Funding and/or the Cash Manager shall procure the transfer all of the rights and obligations of Account Bank B under this Agreement (other than the rights of the existing Account Bank B under Clauses 2.3, 6.2 and 11 in so far as they apply and are due to the existing Account Bank B), in respect of the provision of the Funding GIC Account and procure the transfer of any amounts standing to the credit of the Funding GIC Account to account(s) held with an authorised institution under FSMA (1) whose short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's, (2) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such institution has no short-term rating from S&P, at least A+ long-term) by S&P, (3) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively), by Fitch and (4) which enters into an agreement in respect of the Funding GIC Account in form and substance similar to this agreement for the provision of such replacement account or accounts (provided that the Rating Agencies then rating the Rated Notes also confirm that the Rated Notes would not be adversely affected thereby).

In this Clause 8.1, each reference to "Account Bank B" shall be read as a reference to the bank at which the Funding GIC Account is maintained, being, as at the date of this Agreement, Santander UK.

## **8.2 Termination Events of the Mortgages Trustee GIC Account**

The Cash Manager or the Mortgages Trustee (as trustee for the Beneficiaries) in the case of the Mortgages Trustee GIC Account:

- (i) may (with the prior written consent of the Security Trustee) close the Mortgages Trustee GIC Account in the event that any of the matters specified in paragraphs (a) or (h) below occur; and

- (ii) shall (with the prior written consent of the Security Trustee) close the Mortgages Trustee GIC Account in the event that any of the matters specified in paragraphs (b) to (g) (inclusive) below occur,

in each case by serving a written notice of termination on Account Bank B in any of the following circumstances:

- (a) if a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on the Mortgages Trustee GIC Account; or
- (b) if:
  - (i) the short-term, unsubordinated, unguaranteed and unsecured debt obligation ratings of Account Bank B fall below P-2 by Moody's; or
  - (ii) the short-term and long-term "Issuer Default Ratings" of Account Bank B fall below F2 and BBB+ respectively by Fitch; or
  - (iii) Account Bank B ceases to have unsubordinated, unguaranteed and unsecured debt obligation ratings of at least A2 short-term and BBB+ long-term by S&P,

and (in each case) Account Bank B shall, within 30 calendar days of such an occurrence:

- (A) procure the transfer all of its rights and obligations under this Agreement, in respect of the provision of the Mortgages Trustee GIC Account, to, and transfer all amounts standing to the credit of the Mortgages Trustee GIC Account held with it to an account held with, an authorised institution under FSMA (1) whose short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's, (2) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such institution has no short-term rating from S&P, at least A+ long-term) by S&P, (3) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively) by Fitch and (4) which enters into an agreement in the form and substance similar to this agreement for the provision of such replacement account; or
- (B) obtain a guarantee of its obligations under this Agreement in respect of the provision of the Mortgages Trustee GIC Account from a financial institution (1) whose short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's, (2) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such institution has no short-term rating from S&P, at least A+ long-term) by S&P and (3) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively) by Fitch; or
- (C) take such other actions as are required by the Rating Agencies to ensure that the ratings assigned to the Rated Notes are not adversely affected by the ratings downgrade (provided that in the case of (A), (B) or (C) above, the Rating Agencies then rating the Rated Notes also confirm that the Rated Notes would not be adversely affected thereby);

- (c) if:

- (i) the short-term, unsubordinated, unguaranteed and unsecured debt obligation ratings of Account Bank B fall below P-1 by Moody's; or
- (ii) Account Bank B ceases to have unsubordinated, unguaranteed and unsecured debt obligation ratings of at least A-1 short-term and A long-term (or, if Account Bank B has no short-term rating from S&P, at least A+ long-term) by S&P; or
- (iii) the short-term and long-term "Issuer Default Ratings" of Account Bank B fall below F1 and A (respectively) by Fitch,

and (in each case) provided that Funding and/or the Cash Manager do not, within 60 London Business Days of such an occurrence:

- (A) open an account with a stand-by account bank in respect of the Mortgages Trustee GIC Account (with whom the Cash Manager, Funding and the Security Trustee have entered into an agreement in form and substance similar to this Agreement) (i) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such financial institution has no short-term rating from S&P, at least A+ long-term) by S&P, (ii) whose short-term, unsubordinated, unguaranteed and unsecured 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) take such other actions as are required to ensure that the ratings assigned to the Rated Notes are not adversely affected by the ratings downgrade (and provided that in the case of (A) or (B) above, the Rating Agencies then rating the Rated Notes also confirm that the Rated Notes would not be adversely affected thereby);
- (d) if Account Bank B ceases to have unsubordinated, unguaranteed and unsecured debt obligation ratings of at least A-1 short-term and A long-term (or, if Account Bank B has no short-term rating from S&P, at least A+ long-term) by S&P, and Account Bank B does not:
- (A) within 60 London Business Days of such an occurrence and by close of business on each Business Day thereafter, procure the transfer of the Excess Amount to an account held with a financial institution (which is independent from Account Bank B and with whom the Cash Manager, Funding and the Security Trustee have entered into an agreement in form and substance similar to this Agreement) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if Account Bank B has no short-term rating from S&P, at least A+ long-term) by S&P, where the **Excess Amount** is on any date the amount by which the monies collected by the Servicer in respect of the Loans and/or the Related Security and standing to the credit of the Mortgages Trustee GIC Account on that date exceed 5 per cent. of the Funding Share as at the immediately preceding Distribution Date;
  - (B) within 60 London Business Days of such an occurrence take such other actions as are required to ensure that the ratings assigned to the Rated Notes are not adversely affected by the ratings downgrade (and provided that in the case of (A) or (B) above, the Rating Agencies then rating the Rated Notes also confirm that the Rated Notes would not be adversely affected thereby);

- (e) if Account Bank B, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (f) below, ceases or, through an authorised action of the board of directors of Account Bank B, threatens to cease to carry on all or substantially all of its business or Account Bank B is deemed unable to pay its debts as and when they fall due within the meaning of Section 123(1) and 123(2) of the Insolvency Act 1986 (as that Section may be amended) or ceases to be an institution with a Part IV permission (which includes accepting deposits) under the FSMA; or
- (f) if an order is made or an effective resolution is passed for the winding-up of Account Bank B except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Mortgages Trustee (as trustee for the Beneficiaries) and Funding in writing (such approval not to be unreasonably withheld or delayed); or
- (g) if proceedings are initiated against Account Bank B under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation (other than a reorganisation where Account Bank B is solvent) or other similar laws (including, but not limited to, presentation of a petition for an administration order) and (except in the case of presentation of petition for an administration order) such proceedings are not, in the reasonable opinion of the Mortgages Trustee (as trustee for the Beneficiaries) and Funding, being disputed in good faith with a reasonable prospect of success or an administration order is granted or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official is appointed in relation to Account Bank B or in relation to the whole or any substantial part of the undertaking or assets of Account Bank B, or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of Account Bank B, or a distress, execution or diligence or other process is levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of Account Bank B and such possession or process (as the case may be) is not discharged or otherwise ceases to apply within 30 calendar days of its commencement, or Account Bank B initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment or assignation for the benefit of its creditors generally; or
- (h) if Account Bank B fails to perform any of its obligations under this Agreement in respect of the Mortgages Trustee GIC Account and such failure remains unremedied for three Business Days after the Cash Manager or the Security Trustee has given notice of such failure.

In the event that the Mortgages Trustee GIC Account is closed in accordance with this Clause 8.2, Funding and/or the Cash Manager shall procure the transfer all of the rights and obligations of Account Bank B under this Agreement (other than the rights of the existing Account Bank B under Clauses 2.3, 6.2 and 11 in so far as they apply and are due to the existing Account Bank B), in respect of the provision of the Mortgages Trustee GIC Account and procure the transfer of all amounts standing to the credit of the Mortgages Trustee GIC Account to account(s) held with an authorised institution under FSMA (1) whose short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's, (2) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such institution has no short-term rating from S&P, at least A+ long-term) by S&P, (3) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively) by Fitch and (4) which enters into an agreement in the form and substance similar to this agreement for the provision of such replacement account (provided that the Rating Agencies then rating the Rated Notes also confirm that the Rated Notes would not be adversely affected thereby).

In this Clause 8.2, each reference to the "Account Bank B" shall be read as a reference to the bank at which the Mortgages Trustee GIC Account is maintained, being, as at the date of this Agreement, Santander UK.

### **8.3 Termination Option**

The Mortgages Trustee (as trustee for the Beneficiaries) and Funding may, upon a breach by the relevant Account Bank of its obligations under this Agreement, any Issuer Bank Account Agreement, the Funding Guaranteed Investment Contract, the Mortgages Trustee Guaranteed Investment Contract, the Cash Management Agreement, any Issuer Cash Management Agreement or the Servicing Agreement (for the avoidance of doubt, to the extent that the relevant Account Bank is party to the relevant agreement) by giving one month's prior written notice to the relevant Account Bank (with a copy to the Security Trustee), terminate the appointment of such Account Bank, provided that:

- (a) such termination shall not be effective until a replacement financial institution or institutions (in each case (A) whose short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's, (B) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such institution has no short-term rating from S&P, at least A+ long-term) by S&P and (C) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively), by Fitch) shall have entered into an agreement in form and substance similar to this Agreement; and
- (b) such termination would not adversely affect the then current ratings of the Rated Notes.

The Cash Manager, the Mortgages Trustee and Funding shall use reasonable endeavours to agree such terms with such a replacement financial institution or institutions within 60 calendar days of the date of the notice. In the event of such termination the relevant Account Bank shall assist the other parties hereto to effect an orderly transition of the banking arrangements documented hereby and the Mortgages Trustee and Funding shall reimburse the relevant Account Bank for its reasonable costs and any amounts in respect of Irrecoverable VAT thereon (including reasonable costs and expenses) incurred during the period of, and until completion of, such transition.

Account Bank A shall have no obligation to find a replacement financial institution and shall not be liable for any cost, expenses or fees of any person in respect of the appointment of any replacement financial institution.

### **8.4 Notification of Termination Event**

Each of the Mortgages Trustee, Funding, the Cash Manager and the Account Banks undertakes and agrees to notify the Security Trustee of any event which would or could entitle the Security Trustee to serve a notice of termination pursuant to **Clause 8.5** promptly upon becoming aware thereof.

### **8.5 Termination by Security Trustee**

In addition, prior to the service of an Intercompany Loan Enforcement Notice, the Security Trustee may (a) close the Funding Transaction Account by serving notice on Account Bank A, if any of the events specified in Clauses 8.1(A)(a) to 8.1(A)(f) (inclusive) above occur; (b) close the Funding GIC Account by serving notice on Account Bank B, if any of the events specified in Clauses 8.1(B)(a) to 8.1(B)(f) (inclusive) above occur (c); close the Mortgages Trustee GIC Account by serving notice on Account Bank B if any of the events specified in Clauses 8.2(a) to 8.2(h) (inclusive) above occur; or (c) terminate this Agreement by serving notice of termination if any of the events specified in

Clauses 8.1(A)(a) to 8.1(A)(f) (inclusive) above occur, if any of the events specified in Clauses 8.1(B)(a) to 8.1(B)(f) (inclusive) above occur and if any of the events specified in Clauses 8.2 (a) to 8.2 (h) (inclusive) above occur. Following the service of an Intercompany Loan Enforcement Notice the Security Trustee may terminate this Agreement by serving a notice of termination at any time.

## **8.6 Automatic Termination**

This Agreement shall automatically terminate (if not terminated earlier pursuant to this **Clause 8**) on the date falling 90 calendar days after the termination of the Mortgages Trust Deed. Funding, the Cash Manager or the Mortgages Trustee shall deliver written notice of the termination of the Mortgages Trust Deed to the Security Trustee and the Account Banks.

## **8.7 Termination by Account Bank**

Each Account Bank may terminate this Agreement and cease to operate (i) the Funding Transaction Account, with regard to Account Bank A and (ii) the Mortgages Trustee GIC Account and/or the Funding GIC Account, with regard to Account Bank B at any time:

- (a) on giving not less than 60 London Business Days' prior written notice thereof ending on any London Business Day which does not fall on either an Interest Payment Date or less than 10 London Business Days before an Interest Payment Date to each of the other parties hereto without assigning any reason therefor; and
- (b) on giving not less than 30 London Business Days' prior written notice thereof ending on any London Business Day which does not fall on either an Interest Payment Date or less than 10 London Business Days before an Interest Payment Date to each of the other parties hereto, if the relevant Account Bank shall have demanded payment of its due charges or any interest and the same shall have remained unpaid for a period of 30 London Business Days, provided that if the relevant amounts have been paid on or before the date 20 London Business Days after the date of delivery of such notice then the notice shall have no effect,

provided that such termination shall not take effect:

- (i) until Funding and/or the Cash Manager has/have appointed or procured the appointment of a replacement financial institution or institutions (in each case, (1) whose short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's, (2) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such institution has no short-term rating from S&P, at least A+ long-term) by S&P and (3) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively), by Fitch) and such replacement financial institution has entered into an agreement in form and substance similar to this Agreement; and
- (ii) if the then current ratings of the Rated Notes would be adversely affected thereby.

In either case the Account Banks shall not be responsible for any costs or expenses occasioned by such termination and cessation. In the event of such termination and cessation the Account Banks shall assist the other parties hereto to effect an orderly transition of the banking arrangements documented hereby.

## **8.8 Termination for FATCA Withholding**

- (a) Notwithstanding any other provision in this Agreement, if the Cash Manager or Funding (as the case may be), determines, acting reasonably, that Funding will be required to withhold or

deduct any FATCA Withholding in connection with payments to be made to Account Bank A or Account Bank B (as applicable) and such FATCA Withholding would not have arisen but for the relevant Account Bank's not being or having ceased to be a person to which payments may be made free from FATCA Withholding, the Cash Manager or Funding (as the case may be) will be entitled (i) to redirect or reorganise any payment made by the Account Bank in any way in order that the payment may be made without FATCA withholding, provided that such redirection or re-organisation of any payment is made in accordance with applicable law and through a recognised institution of international standing and such payment is made pursuant to this Agreement and otherwise in accordance with the Transaction Documents, or if such redirection or recognition is impractical and/or impossible (ii) to terminate such Account Bank on giving not less than 15 London Business Days' prior written notice to each of the other parties hereto.

- (b) In the event of such termination, the relevant Account Bank shall assist the other parties hereto (in accordance with instructions given by Funding or the Cash Manager (as the case may be)) to effect an orderly transition of the banking arrangements documented hereby with a financial institution (i) to which payments may be made free from any FATCA Withholding and (ii) whose short-term, unsubordinated, unguaranteed and unsecured debt obligations are rated at least P-1 by Moody's, (B) whose unsubordinated, unguaranteed and unsecured debt obligations are rated at least A-1 short-term and A long-term (or, if such institution has no short-term rating from S&P, at least A+ long-term) by S&P and (C) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively), by Fitch) and (iii) having entered into an agreement in form and substance similar to this Agreement. Funding shall reimburse the relevant Account Bank for its properly incurred costs and any amounts in respect of Irrecoverable VAT thereon (including properly incurred costs and expenses) incurred during the period of, and until completion of, such transition.

## **9. FURTHER ASSURANCE**

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

## **10. CONFIDENTIALITY**

None of the parties hereto shall during the term of this Agreement or after its termination disclose to any person whatsoever (except as provided herein or in any of the Transaction Documents to which it is a party or with the authority of the other parties hereto or so far as may be necessary for the proper performance of its obligations hereunder or unless required by law or any applicable stock exchange requirement or any governmental or regulatory authority or ordered to do so by a court of competent jurisdiction or by the HM Revenue and Customs or the Commissioners of Customs and Excise or the Bank of England or the Financial Conduct Authority ("FCA") or the Prudential Regulation Authority) any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may in the course of its duties hereunder have become possessed and each of the parties hereto shall use all reasonable endeavours to prevent any such disclosure.

## **11. COSTS**

- (a) Funding agrees to pay the reasonable costs of Account Bank A and an amount equal to any Irrecoverable VAT in respect of the receipt by Account Bank A of any taxable supply of goods or services to which such costs relate, and for which Account Bank A is liable to account (including reasonable legal costs and expenses) in connection with the negotiation

of this Agreement and the establishment of the Funding Transaction Account and the negotiation and execution of any further documents and the taking of any further action to be executed or taken pursuant to **Clauses 7, 8** (other than **Clauses 8.1(A)(c), 8.1(A)(e), 8.1(A)(f)**) and **8.6** and **9**.

- (b) Funding agrees to pay the reasonable costs of Account Bank B and an amount equal to any Irrecoverable VAT in respect of the receipt by Account Bank B of any taxable supply of goods or services to which such costs relate, and for which Account Bank B is liable to account (including reasonable legal costs and expenses) in connection with the negotiation of this Agreement and the establishment of the Mortgages Trustee GIC Account and the negotiation and execution of any further documents and the taking of any further action to be executed or taken pursuant to **Clauses 7, 8** (other than **Clauses 8.1(B)(c), 8.1(B)(e), 8.1(B)(f), 8.2(b), 8.2(c), 8.2(d), 8.2(f), 8.2(g), 8.2(h)** and **8.6**) and **9**.

## **12. NOTICES**

12.1 Any notices to be given pursuant to this Agreement to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, by hand or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched, (where delivered by hand) on the day of delivery if delivered before 17.00 hours on a Business Day or on the next Business Day if delivered thereafter or on a day which is not a Business Day or (in the case of first class post) when it would be received in the ordinary course of the post and shall be sent:

- (a) in the case of the Cash Manager, to Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (facsimile number +44 (0)20 7756 5627) for the attention of the Company Secretary with a copy to Santander UK plc, c/o Santander House (AAM 129), 201 Grafton Gate East, Milton Keynes MK9 1AN (facsimile no. +44 (0)1908 343 019) for the attention of Securitisation Team, Retail Credit Risk;
- (b) in the case of the Mortgages Trustee, to Holmes Trustees Limited c/o Santander House (AAM 129), 201 Grafton Gate East, Milton Keynes MK9 1AN (facsimile number +44 (0)1908 343 019) for the attention of Securitisation Team, Retail Credit Risk;
- (c) in the case of the Seller, to Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (facsimile number +44 (0)20 7756 5627) for the attention of the Company Secretary with a copy to Santander UK plc, c/o Santander House (AAM 129), 201 Grafton Gate East, Milton Keynes MK9 1AN (facsimile no. +44 (0)1908 343 019) for the attention of Securitisation Team, Retail Credit Risk;
- (d) in the case of Funding, to Holmes Funding Limited c/o Santander House (AAM 129), 201 Grafton Gate East, Milton Keynes MK9 1AN (facsimile number +44 (0)1908 343 019) for the attention of Securitisation Team, Retail Credit Risk;
- (e) in the case of the Security Trustee, to The Bank of New York Mellon, acting through its London Branch, 40th Floor, One Canada Square, London E14 5AL for the attention of the Trustee Administration Manager (facsimile number +44 (0)20 7964 2509);
- (f) in the case of Account Bank A, to The Bank of New York Mellon, acting through its London Branch, 40th Floor, One Canada Square, London E14 5AL (facsimile number +44 (0) 20 7964 2533); and
- (g) in the case of Account Bank B, to Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (facsimile number +44 (0)20 7756 5627) for the attention of the



Company Secretary with copies to (i) Santander UK plc, 21 Prescott Street, London E1 8AD (facsimile number 020 7612 5088) for the attention of Head of Subsidiary Banking and (ii) Santander UK plc, c/o Santander House (AAM 129), 201 Grafton Gate East, Milton Keynes MK9 1AN (facsimile no. +44 (0)1908 343 019) for the attention of Securitisation Team, Retail Credit Risk;

or to such other address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice in accordance with the provisions of this **Clause 12**.

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

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

### **13. INTEREST**

- 13.1 Account Bank A shall pay, on the first London Business Day in each month in respect of the preceding Determination Period, interest on any cleared credit balances on the Funding Transaction Account at a rate of LIBOR for overnight sterling deposits in respect of such period less 0.25 per cent. per annum.
- 13.2 For so long as Santander UK is Account Bank B and the provider of such accounts, interest shall be paid on the Mortgages Trustee GIC Account and the Funding GIC Account in accordance with the terms of the Mortgages Trustee Guaranteed Investment Contract and the Funding Guaranteed Investment Contract respectively.

### **14. WITHHOLDING**

- 14.1 All payments by each of the Account Banks under this Agreement shall be made in full without any deduction or withholding (whether in respect of set-off, counterclaim, duties, Taxes, charges or otherwise whatsoever) unless the deduction or withholding is required by law or regulation including any FATCA Withholding, in which event each of the Account Banks shall:
- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;
  - (b) pay to the relevant taxation or other authorities within the period for payment permitted by applicable law the full amount of the deduction or withholding;

- (c) furnish to the Mortgages Trustee, Funding or the Security Trustee (as the case may be) within the period for payment permitted by the relevant law, either:
  - (i) an official receipt of the relevant taxation authorities involved in respect of all amounts so deducted or withheld; or
  - (ii) if such receipts are not issued by the taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding,
- (d) with regard to Account Bank A, account to Funding in full by credit to the Funding Transaction Account, of an amount equal to the amount of any rebate, repayment or reimbursement of any deduction or withholding which Account Bank A has made pursuant to this **Clause 14** and which is subsequently received by Account Bank A; and
- (e) with regard to Account Bank B, account to the Mortgages Trustee in full by credit to the Mortgages Trustee GIC Account or the Funding GIC Account (as the case may be), of an amount equal to the amount of any rebate, repayment or reimbursement of any deduction or withholding which Account Bank B has made pursuant to this **Clause 14** and which is subsequently received by Account Bank B.

14.2 Each of Account Bank A and Account Bank B represents that it is a person who can receive payments free from FATCA Withholding and undertakes to use reasonable endeavours to ensure that it remains a person which can receive payments free from FATCA Withholding.

## **15. TAX STATUS**

- 15.1 Each of the Account Banks is a bank for the purposes of section 878 of the Income Tax Act 2007, is entering into this Agreement in the ordinary course of its business, will pay interest pursuant hereto in the ordinary course of such business, will bring into account payments (other than deposits) made under this Agreement in computing its income for United Kingdom Tax purposes and will not cease to be or to do so otherwise than as a result of the introduction of, change in, or change in the interpretation, administration or application of, any law or regulation or any practice or concession of the HM Revenue & Customs occurring after the date of this Agreement.
- 15.2 Each of the Account Banks will procure that any of its successors or assigns will provide the same representation as to its Tax status as is provided by the Account Banks in **Clause 15.1** above.

## **16. GENERAL PROVISIONS**

### **16.1 No agency or trust**

In acting under this Agreement, neither Account Bank shall have any obligation towards or relationship of agency or trust with any Noteholder and need only perform the duties set out specifically in this Agreement and the relevant Mandate and shall have no implied duties.

### **16.2 Legal Advice**

Each Account Bank may consult on any legal matter any legal adviser selected by it, who may be an employee of or adviser to Funding, the Cash Manager, the Mortgages Trustee or the Security Trustee and it shall not be liable in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser's opinion.

### **16.3 Reliance on certificates**

Whenever in the performance of its duties under this Agreement, either Account Bank shall deem it desirable that any matter be established by Funding, the Cash Manager, the Mortgages Trustee or the Security Trustee prior to taking any action or refraining from taking any action or suffering any action under this Agreement, the matter shall be deemed to be conclusively established by a certificate signed by two directors of Funding, the Cash Manager or the Mortgages Trustee or the Security Trustee and delivered to the relevant Account Bank and the certificate shall be a full authorisation to such Account Bank for any action taken or not taken or suffered in good faith by it under the provisions of this Agreement in reliance upon the certificate.

### **16.4 Other relationships**

Account Bank A or Account Bank B and any other person, whether or not acting for itself, may acquire, hold or dispose of any Note or other security (or any interest therein) of Funding, the Cash Manager, the Mortgages Trustee or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary, trustee or agent for, any committee or body of holders of securities of any such person in each case with the same rights as it would have had if the Account Bank were not an Account Bank and need not account for any profit.

### **16.5 No action contrary to law**

Neither Account Bank shall be obliged to do anything which would or might in its opinion be contrary to law of any jurisdiction or any directive or regulation of any agency of any state or which would or might otherwise render it liable to any person or cause it to act in a manner which might prejudice its interests and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

### **16.6 Money held by Funding Account Banks**

All money held by each of the Funding Account Banks under this Agreement in the Funding Transaction Account (in the case of Account Bank A) or the Funding GIG Account (in the case of Account B) are held by the relevant Funding Account Bank as banker and not as trustee (or in Scotland as agent) and as a result the money will not be held in accordance with the client money rules of the FCA.

### **16.7 References to “The Bank of New York Mellon”**

No printed or other material in any language, including prospectuses, notices, reports, and other promotional material which mentions “The Bank of New York Mellon” by name or the rights, powers, or duties of Account Bank A under this Agreement shall be issued by any other parties hereto, or on such party’s behalf, without the prior written consent of Account Bank A.

## **17. ENTIRE AGREEMENT**

This Agreement (and any Eligible Bank Account Agreement and the Eligible Bank Terms and Conditions (in respect of Account Bank A)) constitutes the entire agreement and understanding between the parties in relation to the subject matter hereof and cancel and replace any other agreement or understanding in relation thereto.

## **18. VARIATION AND WAIVER**

No variation, waiver or novation of this Agreement or any provision(s) of this Agreement shall be effective unless it is in writing and executed by (or by some person duly authorised by) each of the

parties. No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

## **19. ASSIGNMENT**

Subject as provided in or contemplated by **Clauses 5.1(f) and 7.2:**

- (a) none of the Account Banks may assign or transfer any of its rights or obligations hereunder without the prior written consent of the Mortgages Trustee, Funding and the Security Trustee;
- (b) the Mortgages Trustee and Funding may not assign or transfer any of their rights or obligations hereunder without the prior written consent of the Account Banks and the Security Trustee; and
- (c) the Account Banks may not act through any other branch other than the branch specified on page 1 of this Agreement without the prior written consent of the Mortgages Trustee, Funding and the Security Trustee (such consent not to be unreasonably withheld).

## **20. SEVERABILITY**

If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

## **21. THE SECURITY TRUSTEE**

The Security Trustee has agreed to become a party to this Agreement for the better preservation and enforcement of its rights under this Agreement but shall have no responsibility for any of the obligations of, nor assume any liabilities to, the Cash Manager, the Account Banks, the Mortgages Trustee or Funding hereunder.

## **22. NEW INTERCOMPANY LOAN AGREEMENTS**

If Funding enters into any New Intercompany Loan Agreements after the date hereof, then the Parties hereto shall execute such documents and take such action as may be necessary or required by the Rating Agencies for the purpose of including the New Issuer, any New Funding Swap Provider, any New Start-Up Loan Provider or any other person who has executed an Accession Undertaking or any New Term Advance in the Transaction Documents.

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

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

**24. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which (when executed) shall be an original. Such counterparts, when taken together, shall constitute one and the same document.

**25. GOVERNING LAW**

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

**26. SUBMISSION TO JURISDICTION**

Each Party to this Agreement hereby irrevocably submits to the non-exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Agreement (whether relating to contractual or non-contractual obligations), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each Party to this Agreement hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

**IN WITNESS** whereof the parties hereto have executed this Agreement the day and year first before written.

## SCHEDULE 1

### FUNDING TRANSACTION ACCOUNT MANDATE

#### BANK MANDATE – FUNDING TRANSACTION ACCOUNT

Resolution of the Board of Directors of **Holmes Funding Limited** (the **Company**)

At a meeting of the Board of Directors of the Company held at [●] on or about [●]:

IT WAS RESOLVED THAT:

1. The account in the name of the Company held with The Bank of New York Mellon, London Branch (the **Bank**) (the **Funding Transaction Account**) will be used as an account for the benefit of the Company.
2. The mandate given to the Bank by virtue of this document (the **Mandate**) is given on the basis that the Bank complies with the procedure set out in, and the terms of, this document.
3. Prior to receipt of a notice in writing from The Bank of New York Mellon, London Branch acting through its office at One Canada Square, London E14 5AL (the **Security Trustee**), to the contrary, in relation to the Funding Transaction Account, the Bank is hereby authorised to honour and comply with all cheques, drafts, bills, payments by way of the Clearing House Automated Payment System, promissory notes, acceptances, negotiable instruments and orders expressed to be drawn, accepted, made or given and all directions given in writing or electronically in respect of the Funding Transaction Account to the extent that compliance with the same should not result in a debit balance; provided that (and subject to paragraph 7) any such cheques, drafts, bills, promissory notes, acceptances, negotiable instruments, directions, orders, instructions and/or endorsements are signed by two of the authorised signatories whose details and signatures are set out in Schedule 1 below (the **Authorised Signatories**). The Bank is hereby authorised to act on any information given by two Directors or by one Director and the Secretary of the Company regarding any changes to Schedule 1.
4. This Mandate is given on the basis that the Bank:
  - (a) acknowledges that, pursuant to a Funding Deed of Charge entered into on the Initial Closing Date between *inter alios*, Funding, the Corporate Services Provider, the Account Bank, the Funding GIC Provider, the Security Trustee, the Seller, the Start-up Loan Provider, the Cash Manager, and the Funding Swap Provider, as supplemented, amended and/or restated and acceded to (including by the Master Issuer) from time to time and as most recently supplemented by the Third Supplemental Funding Deed of Charge (as the same may be amended, restated, supplemented, replaced or novated from time to time) (the **Funding Deed of Charge**), the Company has assigned its interest in the Funding Transaction Account to the Security Trustee by way of security;
  - (b) prior to receipt of an Intercompany Loan Acceleration Notice (as defined in the Funding Deed of Charge) from the Security Trustee, agrees to comply with the directions of the Company (or, pursuant to paragraph 8, of Santander UK plc (the **Cash Manager**) as its agent) in respect of the operation of the Funding Transaction Account and the Bank shall be entitled to rely on any such written direction reasonably purporting to have been given by the Authorised Signatories by or on behalf of the Company (or the Cash Manager) without enquiry; and
  - (c) upon receipt of an Intercompany Loan Acceleration Notice from the Security Trustee:

- (i) agrees to comply with the directions of the Security Trustee expressed to be given by the Security Trustee pursuant to the Funding Deed of Charge in respect of the operation of the Funding Transaction Account and the Bank shall be entitled to rely on any such written direction reasonably purporting to have been given on behalf of the Security Trustee without enquiry; and
- (ii) agrees that all right, authority and power of the Company in respect of the operation of the Funding Transaction Account shall be deemed terminated and of no further effect and the Bank agrees that it shall, upon receipt of an Intercompany Loan Acceleration Notice from the Security Trustee, comply with the directions of the Security Trustee or any receiver appointed under the Funding Deed of Charge in relation to the operation of the Funding Transaction Account unless otherwise required by operation of law or by the order or direction of a competent Court or Tribunal.

5. Unless and until the Bank receives notice in writing from or purporting to be from the Security Trustee to the contrary, the Bank is authorised to continue to operate the Funding Transaction Account without regard to the security interests pursuant to the Funding Deed of Charge.
6. At any time prior to the release by the Security Trustee of the Funding Deed of Charge, the mandate given to the Bank by virtue of these resolutions shall remain in force, unless and until the Bank has received a notice of amendment hereto from the Company.
7. These resolutions shall be communicated to the Bank and remain in force until an amendment resolution shall be passed by the board of directors and a copy thereof, certified by any two of the Directors and/or the Secretary, shall be received by the Bank.
8. The Company authorises the Cash Manager to instruct the Bank in relation to the Funding Transaction Account and authorises the Bank to act on those instructions in the manner set forth in the Bank Account Agreement.

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

.....  
**Per pro Wilmington Trust SP Services (London) Limited, as Director**

#### **Schedule 1 to the Bank Mandate – Funding Transaction Account**

The following sets out the authorised signatories of the Company and the Cash Manager for the Funding Transaction Account, in accordance with the Mandate.

Name	Specimen Signature
[●]	Set forth in form attached

**SCHEDULE 2**  
**MONTHLY REPORT**

Client	Bank	Trade Date	Settlement Date	Maturity Date	Ccy	Deposit Amount	Interest Rate	Maturity Proceeds	BNYM Admin Fee Rate	BNYM Admin Fee Amount	IMMS Account No
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	



## SIGNATORIES

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

Director: )

in the presence of:

Witness:  
Name:  
Address:

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

Director: )

in the presence of:

Witness:  
Name:  
Address:

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

By: )  
Name: )

Signed by )  
For and on behalf of )  
**SANTANDER UK PLC** )  
as Account Bank B )  
By: )  
Name: )

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

as Account Bank A

By:

Name:

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

as Security Trustee

By:

Name:

