

## EXECUTION VERSION

From: Santander UK plc  
2 Triton Square  
Regent's Place  
London  
NW1 3AN

To: Holmes Funding Limited  
c/o Santander UK plc  
2 Triton Square  
Regent's Place  
London  
NW1 3AN

Attention: Medium Term Funding

To: The Bank of New York Mellon, London Branch  
40th Floor  
One Canada Square  
London  
E14 5AL

Attention: Trustee Administration Manager

5 June 2020

Dear Sirs,

### Confirmation - Funding Swap (Tracker Loans)

This letter amends and restates, with effect from the first day of the Interest Period (as defined below) commencing on or immediately prior to the date on which a new SONIA-Linked Intercompany Loan is advanced by the Issuer to Funding following the date of this letter, the Confirmation entered into between Santander UK plc, Holmes Funding Limited and The Bank of New York Mellon, London Branch (the "**Security Trustee**") on 24 May 2019 (the "**Old Confirmation**"), as amended and restated on 15 October 2019 and as amended and/or restated and/or supplemented from time to time. Accordingly, this letter constitutes the "**Confirmation**" in respect of the terms of the Transaction and the Old Confirmation shall no longer apply.

This Confirmation is subject to and forms part of the 1992 ISDA Master Agreement (Multicurrency - Cross Border) entered into between us, you and the Security Trustee dated as of 24 May 2019 as amended and/or restated and/or supplemented from time to time (the "**Agreement**").

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation; (ii) the Master Definitions Schedule (as defined below); and (iii) the Definitions. The following expressions shall have the following meanings:

The term "**Transaction**" as used herein shall, for the purposes of the Definitions, have the same meaning as "**Swap Transaction**".

**Average Loan Balance** means, in respect of a Calculation Period or a particular date, the average outstanding daily principal balance of the Loans on the first day of the relevant Calculation Period or the outstanding principal balance of the Loans on such date (as applicable), as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

**Calculation Date** means the first day of each calendar month or, as the case may be, the date on which (i) any Refinancing Contribution is made by the Seller to Funding pursuant to Clause 6 of the Mortgages Trust Deed, (ii) any consideration (excluding Deferred Consideration) is paid by Funding to the Seller in relation to any New Loans assigned to the Mortgages Trustee pursuant to Clause 4 of the Mortgage Sale Agreement, or (iii) any consideration (excluding Deferred Consideration) is paid by Funding to the Seller in relation to any acquisition by Funding from the Seller of an interest in the Trust Property pursuant to Clause 4 of the Mortgages Trust Deed.

**Calculation Period** means the period from (and including) a Calculation Date to (but excluding) the next following Calculation Date.

**Calculation Period Funding Amount** means, in respect of a Calculation Period, an amount in Sterling equal to the amount produced by applying the Weighted Average Tracker Rate for such Calculation Period to the Notional Amount for such Calculation Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Calculation Period, *divided by 365*.

**Calculation Period Funding Revenue Receipts** means, in respect of a Calculation Period, the Funding Revenue Receipts received by Funding on the Distribution Date falling within that Calculation Period.

**Daily Notional Amount** means, in respect of each day in a Calculation Period, the Notional Amount in respect of that Calculation Period.

**Daily Tracker SONIA Spread** means, in respect of each day in a Calculation Period, the Tracker SONIA Spread in respect of that Calculation Period.

**Funding Amount** means, in respect of an Interest Period, the product of (i) the sum of each of the Calculation Period Funding Amounts in respect of that Interest Period's Relevant Calculation Periods and (ii) the Shortfall Ratio in respect of that Interest Period.

**Funding Available Amount** means, in respect of an Interest Period, an amount, subject to a minimum of zero, equal to the sum of (i) the Calculation Period Funding Revenue Receipts in respect of that Interest Period's Relevant Calculation Periods that are available to be applied on the Relevant Interest Payment Date minus (ii) the aggregate of the amounts required to be paid on the Relevant Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding Pre-enforcement Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement.

**Funding Swap Confirmation** means each Confirmation setting out the terms of transactions entered into under the Agreement and dated the date of this Confirmation.

**Interest Payment Date** means 15 January, 15 April, 15 July and 15 October in each year, commencing on 15 October 2000.

**Interest Period** means the period from (and including) one Interest Payment Date to (but excluding) the next succeeding Interest Payment Date, subject to adjustment in accordance with the Business Day Convention.

**Issuer** means each of Holmes Master Issuer PLC and any new wholly owned subsidiary of Holmes Holdings Limited which is not established as at the date of this Confirmation and which is established for the purpose of issuing notes and loaning the proceeds thereof to Funding.

**Notional Amount** means,

- (1) in respect of the first Relevant Calculation Period in respect of an Interest Period, an amount equal to the product of:
  - (A) an amount equal to:
    - (i) the aggregate principal amount outstanding of all SONIA-Linked Intercompany Loans on the first day of such Calculation Period; *minus*
    - (ii) the balance of the Principal Deficiency Ledger on the first day of such Calculation Period multiplied by the SONIA Ratio; *plus*
    - (iii) the aggregate principal amount of all SONIA-linked Intercompany Loans advanced after the first day of such Calculation Period and on or before the first London Banking Day prior to the first day of the relevant Interest Period; and
  - (B) the Tracker Ratio determined on the first day of the Relevant Calculation Period; and
- (2) in respect of each subsequent Relevant Calculation Period in respect of such Interest Period, an amount equal to the amount determined pursuant to (1) above except that paragraphs (A)(i), (A)(ii) and (B) shall be determined in respect of the subsequent Relevant Calculation Period.

The Notional Amount calculated pursuant to paragraph (1) above shall be determined on the first day of the Relevant Calculation Period, as if any changes made on such date to the principal amount outstanding of the SONIA-Linked Intercompany Loans, the balance of the Principal Deficiency Ledger and the amount of principal receipts in the Funding GIC Account had become effective.

**Relevant Average Tracker Loan Balance** means, in respect of a Calculation Period, or a particular date, the average outstanding daily principal balance of the Relevant Tracker Loans on the first day of the relevant Calculation Period, or the outstanding principal balance of the Loans on such date (as applicable), as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

**Relevant Calculation Period** means, in respect of an Interest Period (or the related Interest Payment Date which falls immediately after such Interest Period), each Calculation Period which ends on a date falling after the first day of the calendar month in which such Interest Period commenced and before the first day of the calendar month in which such Interest Period ends.

**Relevant Interest Payment Date** means, in respect of an Interest Period, the Interest Payment Date immediately following the last day of that Interest Period.

**Relevant Tracker Loans** means Loans (which, for the avoidance of doubt, shall include any Further Advance in respect of a Loan, each to be regarded as a separate Loan for the purpose of this definition) to the extent that and for such period that their Mortgage Terms provide that they are subject to a rate of interest which may be set at a fixed or variable margin above or below rates set from time to time by the Bank of England (and shall, for the avoidance of doubt, exclude (i) Loans (or any Further Advance in respect thereof, as the case may be) during the period that the interest on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) is fixed and (ii) Loans (or any Further Advance in respect thereof, as the case may be) for which the interest rate on all of the Outstanding Principal Balance (or the relevant part of the Outstanding Principal Balance, in the case of a Further Advance) may at any time be varied in accordance with the relevant Mortgage Terms).

**Shortfall Ratio** means, in respect of an Interest Period, the lesser of (i) 1; and (ii) an amount equal to (A) the Funding Available Amount in respect of that Interest Period; divided by (B) the sum, for all Funding Swaps (including this Transaction), of the Calculation Period Funding Amounts in respect of that Interest Period's Relevant Calculation Periods.

**SONIA** means a reference rate equal to the daily Sterling Overnight Index Average rate.

**SONIA-Linked Intercompany Loan** means any Term Advance made from time to time by the Issuer to Funding pursuant to the Master Intercompany Loan Agreement that pays a rate determined by reference to SONIA.

**SONIA Ratio** means, in respect of any Calculation Period, an amount equal to the aggregate principal amount outstanding of all SONIA-Linked Intercompany Loans on the first day of such Calculation Period divided by the aggregate principal amount outstanding of all Intercompany Loans on the first day of such Calculation Period.

**Swap Provider Amount** means, in respect of an Interest Period, the product of (i) an amount produced by applying a rate equal to the Weighted Average SONIA Rate for that Interest Period plus the Weighted Average Tracker SONIA Spread to an amount equal to the Weighted Average Notional Amount for such Interest Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Interest Period, *divided by 365* and (ii) the Shortfall Ratio.

**Tracker Ratio** means, in respect of a Calculation Period or a particular date, the Relevant Average Tracker Loan Balance *divided by* the Average Loan Balance, in each case, for such Calculation Period or date (as applicable).

**Tracker SONIA Spread** means 0.90% per annum, or such other rate specified as the Tracker SONIA Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Assignment Date, specify as being effective for one or more succeeding Calculation Periods provided that the Rating Agencies have confirmed to the Security Trustee in writing that such other rate will not cause the then current rating of the Rated Notes to be downgraded or placed under review for possible downgrade. If a written request for such confirmation is delivered to each Rating Agency and (a) either (i) a Rating Agency (a **Non-Responsive Rating Agency**) indicates that it does not consider such confirmation necessary in the circumstances or (ii) within 30 days of delivery of such request, such request elicits no confirmation and/or such request elicits no statement by such Non-Responsive Rating Agency that such confirmation could not be given; and (b) at least one Rating Agency gives such a confirmation based on the same facts, then the rate specified by the Calculation Agent shall be effective, so that there shall be no requirement for the confirmation from any Non-Responsive Rating Agency.

**Weighted Average Notional Amount** means, in respect of an Interest Period, the sum of the Daily Notional Amounts for each day in that Interest Period *divided by* the number of days in that Interest Period.

**Weighted Average SONIA Rate** means, in respect of an Interest Period, the weighted average (calculated by reference to the outstanding principal amount of each SONIA-Linked Intercompany Loan during that Interest Period) of the SONIA rates that would apply to SONIA-Linked Intercompany Loans for that Interest Period pursuant to clause 7.2 of the Master Intercompany Loan Agreement without including any margin.

**Weighted Average Tracker Rate** means, in respect of a Calculation Period, the weighted average of the tracker rates of interest charged to borrowers of Relevant Tracker Loans on the first day of the relevant Calculation Period as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

**Weighted Average Tracker SONIA Spread** means, in respect of an Interest Period, the sum of the Daily Tracker SONIA Spread for each day in that Interest Period *divided by* the number of days in that Interest Period.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Any terms not otherwise defined herein shall have the meanings given to them in the Fourteenth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Ashurst LLP on or about the date of this Confirmation, or any other applicable Master Definitions Schedule (the **Master Definitions Schedule**).
2. The terms of the Transaction to which this Confirmation relates are as follows:

**Party A:** Santander UK plc

**Party B:** Holmes Funding Limited

**Trade Date:** 24 May 2019

**Effective Date:** 24 May 2019

**Termination Date:** The date on which the aggregate principal amount outstanding of the SONIA-Linked Intercompany Loans is reduced to zero.

**Business Day centres for all Payments:** London, New York, TARGET

**Business Day Convention:** Modified Following

**Interim Exchanges:**

**Total Interim Exchange Amount:** Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding Swaps as at any New Closing Date

**Interim Exchange Amount:** Shall be the product of (i) the Total Interim Exchange Amount, (ii) the Tracker Ratio and (iii) the SONIA Ratio, all calculated as at the relevant New Closing Date (which shall constitute a Party A Interim Exchange Amount and a Party B Interim Exchange Amount)

**Party B Interim Exchange Date:** In respect of an Interim Exchange Amount, the relevant New Closing Date

**Party A Interim Exchange Date:** In respect of an Interim Exchange Amount, the Interest Payment Date immediately following the relevant Party B Interim Exchange Date

**Calculation of Amounts:** On the London Business Day immediately preceding each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

**Payments:** If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date; or
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be due and payable by either party hereunder in relation to such Interest Payment Date.

**Calculation Agent:** Santander UK plc acting in its capacity of Servicer pursuant to the Servicing Agreement or of Cash Manager pursuant to the Cash Management Agreement, as the case may be.

3. Account Details:

Payments to Party A: Direct via CHAPS  
Sort Code: 72-01-00

Account Number: 10500150

Payments to Party B: Bank: Santander UK plc  
Sort Code: 09-02-40  
Account Number: 00008258  
Reference: Holmes Funding Limited (8258)

## 4. Notice Details:

Party A: Santander UK plc

Address: 2 Triton Square  
Regent's Place  
London  
NW1 3AN

Telephone: +44 20 7756 7100

Attention: Medium Term Funding

Email: [MTF@santander.co.uk](mailto:MTF@santander.co.uk)

Party B: Holmes Funding Limited

Address: c/o Santander UK plc  
2 Triton Square  
Regent's Place  
London  
NW1 3AN

Email: [MTF@santander.co.uk](mailto:MTF@santander.co.uk)

Attention: Medium Term Funding

With a copy to the  
Security Trustee: The Bank of New York Mellon, London Branch

Address: 40th Floor  
One Canada Square  
London  
E14 5AL

Attention: Trustee Administration Manager

Yours faithfully,

**SANTANDER UK PLC**

By:  
Name:  
Title:  
Date:

[REDACTED]

[REDACTED]

[REDACTED]

04 June 2020 | 09:14:57 PDT

Confirmed as of the date first written:

**HOLMES FUNDING LIMITED**

By:  
Name:  
Title:  
Date:

[REDACTED]

[REDACTED]

[REDACTED]

04 June 2020 | 09:28:37 PDT

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

By:  
Name:  
Title:  
Date:

05 June 2020 | 09:59:42 BST



Yours faithfully,

**SANTANDER UK PLC**

By:  
Name:  
Title:  
Date:

Confirmed as of the date first written:

**HOLMES FUNDING LIMITED**

By:  
Name:  
Title:  
Date:

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

|        |  |                     |
|--------|--|---------------------|
| By:    |  | Digitally signed by |
| Name:  |  |                     |
| Title: |  | Date: 2020.06.04    |
| Date:  |  | 17:47:20 +01'00'    |