



International Swaps and Derivatives Association, Inc.

CREDIT SUPPORT ANNEX

to the Schedule to the

ISDA Master Agreement

dated as of 24 May 2019

between

SANTANDER UK PLC and HOLMES FUNDING LIMITED
..... and
("Party A") ("Party B")

and THE BANK OF NEW YORK MELLON, LONDON BRANCH

This Annex supplements, forms part of, and is subject to, the [ISDA Master Agreement](#) referred to above and is part of its Schedule. For the purposes of this Agreement, including, without limitation, [Sections 1\(c\), 2\(a\), 5 and 6](#), the credit support arrangements set out in this Annex constitute a Transaction (for which this Annex constitutes the Confirmation).

Paragraph 1. Interpretation

Capitalised terms not otherwise defined in this Annex or elsewhere in this Agreement have the meanings specified pursuant to [Paragraph 10](#), and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between [Paragraph 11](#) and the other

¹ This document is not intended to create a charge or other security interest over the assets transferred under its terms. Persons intending to establish a collateral arrangement based on the creation of a charge or other security interest should consider using the [ISDA Credit Support Deed \(English law\)](#) or the ISDA Credit Support Annex (New York law), as appropriate.

² This Credit Support Annex has been prepared for use with ISDA Master Agreements subject to English law. Users should consult their legal advisers as to the proper use and effect of this form and the arrangements it contemplates. In particular, users should consult their legal advisers if they wish to have the Credit Support Annex made subject to a governing law other than English law or to have the Credit Support Annex subject to a different governing law than that governing the rest of the ISDA Master Agreement (e.g., English law for the Credit Support Annex and New York law for the rest of the ISDA Master Agreement).

provisions of this Annex, [Paragraph 11](#) will prevail. For the avoidance of doubt, references to "transfer" in this Annex mean, in relation to cash, payment and, in relation to other assets, delivery.

Paragraph 2. Credit Support Obligations

(a) ***Delivery Amount.*** Subject to Paragraphs 3 and [4](#), upon a demand made by the Transferee on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Transferor's Minimum Transfer Amount, then the Transferor will transfer to the Transferee Eligible Credit Support having a Value as of the date of transfer at least equal to the applicable Delivery Amount (rounded pursuant to [Paragraph 11\(b\)\(iii\)\(D\)](#)). Unless otherwise specified in [Paragraph 11\(b\)](#), the "Delivery Amount" applicable to the Transferor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date).

(b) ***Return Amount.*** Subject to Paragraphs 3 and [4](#), upon a demand made by the Transferor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Transferee's Minimum Transfer Amount, then the Transferee will transfer to the Transferor Equivalent Credit Support specified by the Transferor in that demand having a Value as of the date of transfer as close as practicable to the applicable Return Amount (rounded pursuant to [Paragraph 11\(b\)\(iii\)\(D\)](#)) and the Credit Support Balance will, upon such transfer, be reduced accordingly. Unless otherwise specified in [Paragraph 11\(b\)](#), the "Return Amount" applicable to the Transferee for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in either case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date)

exceeds

(ii) the Credit Support Amount.

Paragraph 3. Transfers, Calculations and Exchanges

(a) ***Transfers.*** All transfers under this Annex of any Eligible Credit Support, Equivalent Credit Support, Interest Amount or Equivalent Distributions shall be made in accordance with the instructions of the Transferee or Transferor, as applicable, and shall be made:

(i) in the case of cash, by transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities which cannot or which the parties have agreed will not be delivered by book-entry, by delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, transfer tax stamps and any other documents necessary to constitute a legally valid transfer of the transferring party's legal and beneficial title to the recipient; and

(iii) in the case of securities which the parties have agreed will be delivered by book-entry, by the giving of written instructions (including, for the avoidance of doubt, instructions given by telex, facsimile transmission or electronic messaging system) to the relevant depository institution or other entity specified by the recipient, together with a written copy of the instructions to the recipient, sufficient, if complied with, to result in a legally effective transfer of the transferring party's legal and beneficial title to the recipient.

Subject to [Paragraph 4](#) and unless otherwise specified, if a demand for the transfer of Eligible Credit Support or Equivalent Credit Support is received by the Notification Time, then the relevant transfer will be made not later than the close of business on the Settlement Day relating to the date such demand is received; if a demand is received after the Notification Time, then the relevant transfer will be made not later than the close of business on the Settlement Day relating to the day after the date such demand is received.

(b) **Calculations.** All calculations of Value and Exposure for purposes of [Paragraphs 2](#) and [4\(a\)](#) will be made by the relevant Valuation Agent as of the relevant Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or, in the case of [Paragraph 4\(a\)](#), following the date of calculation).

(c) **Exchanges.**

(i) Unless otherwise specified in [Paragraph 11](#), the Transferor may on any Local Business Day by notice inform the Transferee that it wishes to transfer to the Transferee Eligible Credit Support specified in that notice (the "New Credit Support") in exchange for certain Eligible Credit Support (the "Original Credit Support") specified in that notice comprised in the Transferor's Credit Support Balance.

(ii) If the Transferee notifies the Transferor that it has consented to the proposed exchange, (A) the Transferor will be obliged to transfer the New Credit Support to the Transferee on the first Settlement Day following the date on which it receives notice (which may be oral telephonic notice) from the Transferee of its consent and (B) the Transferee will be obliged to transfer to the Transferor Equivalent Credit Support in respect of the Original Credit Support not later than the Settlement Day following the date on which the Transferee receives the New Credit Support, unless otherwise specified in [Paragraph 11\(d\)](#) (the "Exchange Date"); *provided* that the Transferee will only be obliged to transfer Equivalent Credit Support with a Value as of the date of transfer as close as practicable to, but in any event not more than, the Value of the New Credit Support as of that date.

Paragraph 4. Dispute Resolution

(a) ***Disputed Calculations or Valuations.*** If a party (a "Disputing Party") reasonably disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any transfer of Eligible Credit Support or Equivalent Credit Support, then:

- (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following, in the case of (I) above, the date that the demand is received under [Paragraph 2](#) or, in the case of (II) above, the date of transfer;
- (2) in the case of (I) above, the appropriate party will transfer the undisputed amount to the other party not later than the close of business on the Settlement Day following the date that the demand is received under [Paragraph 2](#);
- (3) the parties will consult with each other in an attempt to resolve the dispute; and
- (4) if they fail to resolve the dispute by the Resolution Time, then:
 - (i) in the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in [Paragraph 11\(e\)](#), the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:
 - (A) utilising any calculations of that part of the Exposure attributable to the Transactions that the parties have agreed are not in dispute;
 - (B) calculating that part of the Exposure attributable to the Transactions in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction, then fewer than four quotations may be used for that Transaction, and if no quotations are available for a particular Transaction, then the Valuation Agent's original calculations will be used for the Transaction; and
 - (C) utilising the procedures specified in [Paragraph 11\(e\)\(ii\)](#) for calculating the Value, if disputed, of the outstanding Credit Support Balance;
 - (ii) in the case of a dispute involving the Value of any transfer of Eligible Credit Support or Equivalent Credit Support, the Valuation Agent will recalculate the Value as of the date of transfer pursuant to [Paragraph 11\(e\)\(ii\)](#).

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) as soon as possible but in any event not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following such notice given by the Valuation Agent or a resolution pursuant to (3) above and subject to [Paragraph 3\(a\)](#), make the appropriate transfer.

(b) **No Event of Default.** The failure by a party to make a transfer of any amount which is the subject of a dispute to which [Paragraph 4\(a\)](#) applies will not constitute an Event of Default for as long as the procedures set out in this [Paragraph 4](#) are being carried out. For the avoidance of doubt, upon completion of those procedures, [Section 5\(a\)\(i\)](#) of this Agreement will apply to any failure by a party to make a transfer required under the final sentence of [Paragraph 4\(a\)](#) on the relevant due date. a

Paragraph 5. Transfer of Title, No Security Interest, Distributions and Interest Amount

(a) **Transfer of Title.** Each party agrees that all right, title and interest in and to any Eligible Credit Support, Equivalent Credit Support, Equivalent Distributions or Interest Amount which it transfers to the other party under the terms of this Annex shall vest in the recipient free and clear of any liens, claims, charges or encumbrances or any other interest of the transferring party or of any third person (other than a lien routinely imposed on all securities in a relevant clearance system). a

(b) **No Security Interest.** Nothing in this Annex is intended to create or does create in favour of either party any mortgage, charge, lien, pledge, encumbrance or other security interest in any cash or other property transferred by one party to the other party under the terms of this Annex.

(c) [Distributions and Interest Amount.](#)

(i) **Distributions.** The Transferee will transfer to the Transferor not later than the Settlement Day following each Distributions Date cash, securities or other property of the same type, nominal value, description and amount as the relevant Distributions ("Equivalent Distributions") to the extent that a Delivery Amount would not be created or increased by the transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed a Valuation Date for this purpose).

(ii) **Interest Amount.** Unless otherwise specified in [Paragraph 11\(f\)\(iii\)](#), the Transferee will transfer to the Transferor at the times specified in [Paragraph 11\(f\)\(ii\)](#) the relevant Interest Amount to the extent that a Delivery Amount would not be created or increased by the transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed a Valuation Date for this purpose).

[Paragraph 6. Default](#)

If an Early Termination Date is designated or deemed to occur as a result of an Event of Default in relation to a party, an amount equal to the Value of the Credit Support Balance, determined as though the Early Termination Date were a Valuation Date, will be deemed to be an Unpaid Amount due to the Transferor (which may or may not be the Defaulting Party) for purposes of [Section 6\(e\)](#). For the avoidance of doubt, if Market Quotation is the applicable payment measure for purposes of [Section 6\(e\)](#), then the Market Quotation determined under [Section 6\(e\)](#) in relation to the Transaction constituted by this Annex will be deemed to be zero, and, if Loss is the applicable payment measure for purposes of [Section 6\(e\)](#), then the Loss determined under [Section 6\(e\)](#) in relation to the Transaction will be limited to the Unpaid Amount representing the Value of the Credit Support Balance.

Paragraph 7. Representation

Each party represents to the other party (which representation will be deemed to be repeated as of each date on which it transfers Eligible Credit Support, Equivalent Credit Support or Equivalent Distributions) that it is the sole owner of or otherwise has the right to transfer all Eligible Credit Support, Equivalent Credit Support or Equivalent Distributions it transfers to the other party under this Annex, free and clear of any security interest, lien, encumbrance or other restriction (other than a lien routinely imposed on all securities in a relevant clearance system).

Paragraph 8. Expenses

Each party will pay its own costs and expenses (including any stamp, transfer or similar transaction tax or duty payable on any transfer it is required to make under this Annex) in connection with performing its obligations under this Annex, and neither party will be liable for any such costs and expenses incurred by the other party.

Paragraph 9. Miscellaneous

- (a) **Default Interest.** Other than in the case of an amount which is the subject of a dispute under [Paragraph 4\(a\)](#), if a Transferee fails to make, when due, any transfer of [Equivalent Credit Support](#), Equivalent Distributions or the Interest Amount, it will be obliged to pay the Transferor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value on the relevant Valuation Date of the items of property that were required to be transferred, from (and including) the date that the Equivalent Credit Support, Equivalent Distributions or Interest Amount were required to be transferred to (but excluding) the date of transfer of the Equivalent Credit Support, Equivalent Distributions or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.
- (b) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.
- (c) **Demands and Notices.** All demands and notices given by a party under this Annex will be given as specified in Section 12 of this Agreement.
- (d) **Specifications of Certain Matters.** Anything referred to in this Annex as being specified in [Paragraph 11](#) also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

Paragraph 10. Definitions

As used in this Annex:

"Base Currency" means the currency specified as such in [Paragraph 11\(a\)\(i\)](#).

"Base Currency Equivalent" means, with respect to an amount on a Valuation Date, in the case of an amount denominated in the Base Currency, such Base Currency amount and, in the case of an amount denominated in a currency other than the Base Currency (the "Other Currency"), the amount of Base Currency required to purchase such amount of the Other Currency at the spot exchange rate determined by the Valuation Agent for value on such Valuation Date.

"Credit Support Amount" means, with respect to a Transferor on a Valuation Date, (i) the Transferee's Exposure plus (ii) all Independent Amounts applicable to the Transferor, if any, minus (iii) all Independent Amounts applicable to the Transferee, if any, minus (iv) the Transferor's Threshold; *provided, however,* that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

"Credit Support Balance" means, with respect to a Transferor on a Valuation Date, the aggregate of all Eligible Credit Support that has been transferred to or received by the Transferee under this Annex, together with any Distributions and all proceeds of any such Eligible Credit Support or Distributions, as reduced pursuant to [Paragraph 2\(b\)](#), [3\(c\)\(ii\)](#) or [6](#). Any Equivalent Distributions or Interest Amount (or portion of either) not transferred pursuant to [Paragraph 5\(c\)\(i\)](#) or [\(ii\)](#) will form part of the Credit Support Balance.

"Delivery Amount" has the meaning specified in [Paragraph 2\(a\)](#).

"Disputing Party" has the meaning specified in [Paragraph 4](#).

"Distributions" means, with respect to any Eligible Credit Support comprised in the Credit Support Balance consisting of securities, all principal, interest and other payments and distributions of cash or other property to which a holder of securities of the same type, nominal value, description and amount as such Eligible Credit Support would be entitled from time to time.

"Distributions Date" means, with respect to any Eligible Credit Support comprised in the Credit Support Balance other than cash, each date on which a holder of such Eligible Credit Support is entitled to receive Distributions or, if that date is not a Local Business Day, the next following Local Business Day.

"Eligible Credit Support" means, with respect to a party, the items, if any, specified as such for that party in [Paragraph 11\(b\)\(ii\)](#) including, in relation to any securities, if applicable, the proceeds of any redemption in whole or in part of such securities by the relevant issuer.

"Eligible Currency" means each currency specified as such in [Paragraph 11\(a\)\(ii\)](#), if such currency is freely available.

"Equivalent Credit Support" means, in relation to any Eligible Credit Support comprised in the Credit Support Balance, Eligible Credit Support of the same type, nominal value, description and amount as that Eligible Credit Support.

"Equivalent Distributions" has the meaning specified in [Paragraph 5\(c\)\(i\)](#).

"Exchange Date" has the meaning specified in [Paragraph 11\(d\)](#).

"Exposure" means, with respect to a party on a Valuation Date and subject to [Paragraph 4](#) in the case of a dispute, the amount, if any, that would be payable to that party by the other party (expressed as a positive number) or by that party to the other party (expressed as a negative number) pursuant to [Section 6\(e\)\(ii\)\(1\)](#) of this Agreement if all Transactions (other than the Transaction constituted by this Annex) were being terminated as of the relevant Valuation Time, on the basis that (i) that party is not the Affected Party and (ii) the Base Currency is the Termination Currency; *provided* that Market Quotations will be determined by the Valuation Agent on behalf of that party using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

"Independent Amount" means, with respect to a party, the Base Currency Equivalent of the amount specified as such for that party in [Paragraph 11 \(b\)\(iii\)\(A\)](#); if no amount is specified, zero .

"Interest Amount" means, with respect to an Interest Period, the aggregate sum of the Base Currency Equivalents of the amounts of interest determined for each relevant currency and calculated for each day in that Interest Period on the principal amount of the portion of the Credit Support Balance comprised of cash in such currency, determined by the Valuation Agent for each such day as follows:

- (x) the amount of cash in such currency on that day; multiplied by
- (y) the relevant Interest Rate in effect for that day; divided by
- (z) 360 (or, in the case of pounds sterling, 365).

"Interest Period" means the period from (and including) the last Local Business Day on which an Interest Amount was transferred (or, if no Interest Amount has yet been transferred, the Local Business Day on which Eligible Credit Support or Equivalent Credit Support in the form of cash was transferred to or received by the Transferee) to (but excluding) the Local Business Day on which the current Interest Amount is transferred.

"Interest Rate" means, with respect to an Eligible Currency, the rate specified in [Paragraph 11\(f\)\(i\)](#) for that currency.

"Local Business Day", unless otherwise specified in [Paragraph 11\(h\)](#), means:

- (i) in relation to a transfer of cash or other property (other than securities) under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment;
- (ii) in relation to a transfer of securities under this Annex, a day on which the clearance system agreed between the parties for delivery of the securities is open for the acceptance and execution of settlement instructions or, if delivery of the securities is contemplated by other means, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place(s) agreed between the parties for this purpose;

(iii) in relation to a valuation under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of location of the Valuation Agent and in the place(s) agreed between the parties for this purpose; and

(iv) in relation to any notice or other communication under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place specified in the address for notice most recently provided by the recipient.

"Minimum Transfer Amount" means, with respect to a party, the amount specified as such for that party in [Paragraph 11\(b\)\(iii\)\(C\)](#); if no amount is specified, zero.

"New Credit Support" has the meaning specified in [Paragraph 3\(c\)\(i\)](#).

"Notification Time" has the meaning specified in [Paragraph 11\(c\)\(iv\)](#).

"Recalculation Date" means the Valuation Date that gives rise to the dispute under [Paragraph 4](#); *provided, however*, that if a subsequent Valuation Date occurs under [Paragraph 2](#) prior to the resolution of the dispute, then the **"Recalculation Date"** means the most recent Valuation Date under [Paragraph 2](#).

"Resolution Time" has the meaning specified in [Paragraph 11\(e\)\(i\)](#).

"Return Amount" has the meaning specified in [Paragraph 2\(b\)](#).

"Settlement Day" means, in relation to a date, (i) with respect to a transfer of cash or other property (other than securities), the next Local Business Day and (ii) with respect to a transfer of securities, the first Local Business Day after such date on which settlement of a trade in the relevant securities, if effected on such date, would have been settled in accordance with customary practice when settling through the clearance system agreed between the parties for delivery of such securities or, otherwise, on the market in which such securities are principally traded (or, in either case, if there is no such customary practice, on the first Local Business Day after such date on which it is reasonably practicable to deliver such securities).

"Threshold" means, with respect to a party, the Base Currency Equivalent of the amount specified as such for that party in [Paragraph 11\(b\)\(iii\)\(B\)](#); if no amount is specified, zero.

"Transferee" means, in relation to each Valuation Date, the party in respect of which Exposure is a positive number and, in relation to a Credit Support Balance, the party which, subject to this Annex, owes such Credit Support Balance or, as the case may be, the Value of such Credit Support Balance to the other party.

"Transferor" means, in relation to a Transferee, the other party.

"Valuation Agent" has the meaning specified in [Paragraph 11\(c\)\(i\)](#).

"Valuation Date" means each date specified in or otherwise determined pursuant to [Paragraph 11\(c\)\(ii\)](#).

"Valuation Percentage" means, for any item of Eligible Credit Support, the percentage specified in [Paragraph 11\(b\)\(ii\)](#).

"Valuation Time" has the meaning specified in [Paragraph 11\(c\)\(iii\)](#).

"Value" means, for any Valuation Date or other date for which Value is calculated, and subject to [Paragraph 4](#) in the case of a dispute, with respect to:

- (i) Eligible Credit Support comprised in a Credit Support Balance that is:
 - (A) an amount of cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage, if any; and
 - (B) a security, the Base Currency Equivalent of the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any; and
- (ii) items that are comprised in a Credit Support Balance and are not Eligible Credit Support, zero.

EXECUTION VERSION

CREDIT SUPPORT ANNEX

Elections and Variables dated as of 24 May 2019

Between
SANTANDER UK PLC
 ("Party A")
 and
HOLMES FUNDING LIMITED
 ("Party B")
 and
THE BANK OF NEW YORK MELLON, acting through its LONDON BRANCH
 (the "Security Trustee")

Paragraph 11. Elections and Variables

(a) Base Currency and Eligible Currency.

(i) **"Base Currency"** means GBP.

(ii) **"Eligible Currency"** means the Base Currency and EUR.

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount.**

(A) **"Delivery Amount"** has the meaning specified in Paragraph 2(a), as amended (I) by deleting the words "upon a demand made by the Transferee on or promptly following a Valuation Date" and replacing the word "that" on the second line of Paragraph 2(a) with the word "a" and (II) by deleting in its entirety the sentence beginning "Unless otherwise specified in Paragraph 11(b)" and inserting in lieu thereof the following:

"The **"Delivery Amount"** applicable to the Transferor for any Valuation Date will equal the greatest of:

- (1) the amount by which (a) the Fitch Credit Support Amount exceeds (b) the Value (determined using the Fitch Valuation Percentages in Appendix A) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date);
- (2) the amount by which (a) the Moody's Credit Support Amount exceeds (b) the Value (determined using the applicable Moody's Valuation Percentages in the table in Appendix B) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date); and

- (3) the amount by which (a) the S&P Credit Support Amount exceeds (b) the Value (determined using the S&P's Valuation Percentages in Appendix C) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date).

Provided that, if, on any Valuation Date, the Delivery Amount equals or exceeds the Transferor's Minimum Transfer Amount, the Transferor will transfer to the Transferee sufficient Eligible Credit Support to ensure that, immediately following such transfer, the Delivery Amount shall be zero."

- (B) **"Return Amount"** has the meaning as specified in Paragraph 2(b) as amended by deleting in its entirety the sentence beginning "Unless otherwise specified in Paragraph 11(b)" and inserting in lieu thereof the following:

"The **"Return Amount"** applicable to the Transferee for any Valuation Date will equal the least of:

- (1) the amount by which (a) the Value (determined using the Fitch Valuation Percentages in Appendix A) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds (b) the Fitch Credit Support Amount;
- (2) the amount by which (a) the Value (determined using the Moody's Valuation Percentages in the table in Appendix B) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds (b) the Moody's Credit Support Amount; and
- (3) the amount by which (a) the Value (determined using the S&P Valuation Percentages in Appendix C) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds (b) the S&P Credit Support Amount."

Provided that in no event shall the Transferee be required to transfer any Equivalent Credit Support under Paragraph 2(b) if, immediately following such transfer, the Delivery Amount would be greater than zero.

- (C) **"Credit Support Amount"** means the Moody's Credit Support Amount, the S&P Credit Support Amount or the Fitch Credit Support Amount, as applicable.

(ii) ***Eligible Credit Support.*** On any date:

- (A) for the purpose of Fitch the collateral specified in the table in Appendix A will qualify as **"Eligible Credit Support"** for Party A and the Fitch Valuation Percentages shall apply as set out in such table;

- (B) for the purpose of Moody's the collateral specified in the table in Appendix B will qualify as "**Eligible Credit Support**" for Party A and the Moody's Valuation Percentages shall apply as set out in such table; and
- (C) for the purpose of S&P the collateral specified in the table in Appendix C will qualify as "**Eligible Credit Support**" for Party A and the S&P Valuation Percentages shall apply as set out in such table.

(iii) **Thresholds.**

- (A) "**Independent Amount**" means with respect to Party A and Party B, zero.
- (B) "**Threshold**" means, with respect to Party A: infinity, unless (1) the Fitch Threshold is zero, (2) the Moody's Threshold is zero, or (3) the S&P Threshold is zero, in which case "Threshold" means, with respect to Party A: zero; and

"**Threshold**" means, with respect to Party B: infinity.

"**Fitch Threshold**" means, (1) for so long as an Initial Fitch Rating Event or a Subsequent Fitch Rating Event has occurred and is continuing and Party A has not taken alternative action as contemplated by Part 5 (7.4)(b), or (7.5)(a) of the Schedule to the Agreement, zero and (2) at any other time, infinity.

"**Moody's Threshold**" means, (1) so long as the Collateral Trigger Requirements apply and either (i) the Collateral Trigger Requirements have applied continuously since this Annex was executed or (ii) at least 30 Local Business Days have elapsed since the last time the Collateral Trigger Requirements did not apply, zero and (2) at any other time, infinity.

"**S&P Threshold**" means, (1) for so long as (i) an S&P Rating Event has occurred and is continuing and (ii) the Collateral Remedy Period has expired and (iii) either Party A has not taken remedial action as contemplated by paragraphs 7.1(A) of Part 5 of the Schedule to the Agreement (as applicable) or, if Party A has taken such remedial action, the terms of paragraphs 7.1(A) of Part 5, as applicable, provide that Party A is required to provide collateral in accordance with the terms of this Annex, zero and (2) at any other time, infinity.

- (C) "**Minimum Transfer Amount**" means, with respect to Party A, and Party B, GBP 50,000; provided, that if (1) an Event of Default has occurred and is continuing in respect of which Party A or Party B is the Defaulting Party, or (2) an Additional Termination Event has occurred in respect of which Party A or Party B is an Affected Party, the Minimum Transfer Amount with respect to Party A or Party B shall be zero.
- (D) "**Rounding**". The Delivery Amount will be rounded up to the nearest integral multiple of GBP 10,000 and the Return Amount will be rounded down to the nearest integral multiple of GBP 10,000.

(c) **Valuation and Timing.**

- (i) "**Valuation Agent**" means Party A in all circumstances.
- (ii) "**Valuation Date**" means the first Local Business Day of each calendar week.

- (iii) **"Valuation Time"** means the close of business on the Local Business Day immediately preceding the Valuation Date or date of calculation, as applicable; provided that the calculations of Value and Exposure will be made as of approximately the same time on the same date.
- (iv) **"Notification Time"** means by 5.00 p.m., London time, on a Local Business Day.
- (v) **Calculations.** Paragraph 3(b) shall be amended by inserting the words ", Moody's Credit Support Amount, Fitch Credit Support Amount and S&P Credit Support Amount" after the word "Value" in the first line.
- (d) **Exchange Date.** "Exchange Date" has the meaning specified in Paragraph 3(c)(ii).
- (e) **Dispute Resolution.**
 - (i) **"Resolution Time"** means 2.00 p.m., London time, on the Local Business Day following the date on which notice is given that gives rise to a dispute under Paragraph 4.
 - (ii) **"Value".** For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the outstanding Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, on the relevant date will be calculated as follows:
 - (A) with respect to any cash, the Base Currency Equivalent of the amount thereof, multiplied by the applicable Valuation Percentage; and
 - (B) with respect to any Eligible Credit Support or Equivalent Credit Support comprising securities ("**Securities**") the Base Currency Equivalent of the sum of (a)(x) the bid price on such date for such Securities on the principal national securities exchange on which such Securities are listed, multiplied by the applicable Valuation Percentage; or (y) where any Securities are not listed on a national securities exchange, the bid price for such Securities quoted as at such date by any principal market maker (which shall not be, and shall be independent from, the Valuation Agent) for such Securities chosen by the Valuation Agent, multiplied by the applicable Valuation Percentage; or (z) if no such bid price is listed or quoted (as the case may be), as of the day next preceding such date on which such prices were available, multiplied by the applicable Valuation Percentage; and (b) the accrued interest where applicable on such Securities (except to the extent that such interest shall have been paid to the Transferor pursuant to Paragraph 5(c)(ii) or included in the applicable price referred to in subparagraph (a) above) as of such date multiplied by the applicable Valuation Percentage with respect to such Securities.
 - (iii) **"Alternative".** The provisions of Paragraph 4 will apply.
- (f) **Distribution and Interest Amount.**
 - (i) **Interest Rate.**

The "**Interest Rate**" in relation to the Eligible Currency specified below will be:

Eligible Currency	Interest Rate
GBP	For the relevant determination date, "SONIA" which means the reference rate equal to the overnight rate as calculated by the

Wholesale Market Brokers Association which appears on the Reuters Screen SONIA Page in respect of that day.

EUR For the relevant determination date "EONIA", which means a reference rate equal to the overnight rate for such day as calculated by the European Central Bank and published on Reuters Screen EONIA.

- (ii) **Transfer of Interest Amount.** The transfer of the Interest Amount will be made on the first Local Business Day following the end of each calendar month to the extent that Party B has earned and received such amount of interest and that a Delivery Amount would not be created or increased by that transfer.
- (iii) **Alternative to Interest Amount.** The provisions of Paragraph 5(c)(ii) will apply. For the purposes of calculating the Interest Amount the amount of interest calculated for each day of the Interest Period shall, with respect to any Eligible Currency, be compounded daily.
- (iv) **Interest Amount.** The definition of "*Interest Amount*" in Paragraph 10 shall be deleted and replaced with the following:

"*Interest Amount*" means, with respect to an Interest Period and each portion of the Credit Support Balance comprised of cash in an Eligible Currency, the sum of the amounts of interest determined for each day in that Interest Period by the Valuation Agent as follows:

- (x) the amount of such currency comprised in the Credit Support Balance at the close of business for general dealings in the relevant currency on such day (or, if such day is not a Local Business Day, on the immediately preceding Local Business Day); multiplied by
- (y) the relevant Interest Rate; divided by
- (z) 360 (or in the case of Pounds Sterling, 365)

provided that no such interest shall be included in the "Interest Amount" in respect of an Interest Period unless it is received (net of any deduction or withholding for or on account of any tax) by the Transferee during such Interest Period.

- (v) "**Distributions**" means, with respect to any Eligible Credit Support comprised in the Credit Support Balance consisting of securities, all principal, interest and other payments and distributions of cash or other property received (net of any deduction or withholding for or on account of any tax) by the Transferee from time to time.
- (vi) "**Distributions Date**" means, with respect to any Eligible Credit Support comprised in the Credit Support Balance other than cash, each date on which the Transferee receives Distributions or, if that date is not a Valuation Date, the next following Valuation Date.
- (vii) **Transfer of Distributions.** The Transferee shall only be obliged to transfer Equivalent Distributions under Paragraph 5(c)(i) if the Valuation Agent has confirmed in writing that no Delivery Amount would be created or increased by the transfer (and the date of calculation will be deemed a Valuation Date for this purpose).
- (viii) **Exchange.** The Transferee shall only be obliged to transfer Equivalent Credit Support under Paragraph 3(c)(ii) if the Valuation Agent has confirmed in writing that no Delivery Amount would be created or increased by the transfer (and the date of calculation will be deemed a Valuation Date for this purpose).

(g) **Addresses for Transfers.**

Party A: Details to be advised.

Party B: Details to be obtained from: Holmes Funding Limited

Collateral calls / queries should be addressed to: Holmes Funding Limited

Address: c/o Santander UK plc (as Cash Manager)
2 Triton Square
Regent's Place
London
NW1 3AN

Attention: Medium Term Funding

Email: MTF@santander.co.uk

(h) **Other Provisions.**

(i) ***Transfer Timing***

- (1) The final paragraph of Paragraph 3(a) shall be deleted and replaced with the following:

"Subject to Paragraph 4, and unless otherwise specified, any transfer of Eligible Credit Support or Equivalent Credit Support (whether by the Transferor pursuant to Paragraph 2(a) or by the Transferee pursuant to Paragraph 2(b)) shall be made not later than the close of business on the Settlement Day."

- (2) The definition of Settlement Day shall be deleted and replaced with the following:

"Settlement Day" means the next Local Business Day after the Demand Date

- (3) For the purposes of this Paragraph 11(h)(i):

"Demand Date" means, with respect to a transfer by a party:

- (i) in the case of a transfer pursuant to Paragraph 2, Paragraph 3 or Paragraph 4(a)(2), the relevant Valuation Date (assuming that, in the case of any transfer to be made by the Transferee, the Transferee has received a demand on such date from the Transferor). For the purposes of Paragraph 2 and Paragraph 4(a)(2), the Transferor will be deemed to receive notice of the demand by the Transferee to make a transfer of Eligible Credit Support; and
- (ii) in the case of a transfer pursuant to Paragraph 3(c)(ii)(A), the date on which the Transferee has given its consent to the proposed exchange.

For the avoidance of doubt, on each Demand Date the Transferor shall deliver to the Transferee and the Note Trustee a statement showing the amount of Eligible Credit Support to be delivered.

(ii) ***Early Termination***

The heading for Paragraph 6 shall be deleted and replaced with "Early Termination" and the following amendments shall be made to Paragraph 6:

- (A) the words "or a Termination Event where all Fixed Transactions are Affected Transactions" shall be added immediately after the word "party" in the second line of Paragraph 6; and
- (B) the words "or an Affected Party" shall be added immediately after the words "Defaulting Party" in the fourth line of Paragraph 6.

(iii) ***Costs of Transfer***

Notwithstanding Paragraph 8, the Transferor will be responsible for, and will reimburse the Transferee for, all stamp duties, transfer and other taxes and other costs involved in the transfer of Eligible Credit Support and/or Equivalent Credit Support either from the Transferor to the Transferee or from the Transferee to the Transferor hereto.

(iv) ***Cumulative Rights***

The rights, powers and remedies of the Transferee under this Annex shall be in addition to all rights, powers and remedies given to the Transferee by this Agreement or by virtue of any statute or rule of law, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the rights of the Transferee in the Credit Support Balance created pursuant to this Annex.

(v) ***Single Transferor and Single Transferee***

Party A and Party B agree that the definitions of "Transferee" and "Transferor" in Paragraph 10 of this Annex shall be deleted in their entirety and replaced with the following in lieu thereof: "Transferor" means Party A; and "Transferee" means Party B, and, for the avoidance of doubt, only Party A will be required to make transfers of Delivery Amounts and only Party B will be required to make transfers of Return Amounts hereunder.

(vi) ***Ratings Criteria***

"**Ratings Criteria**" means, the criteria used by S&P (as set out in S&P's "Counterparty Risk Framework Methodology and Assumptions" criteria dated 8 March 2019) ("**S&P Criteria**"), the criteria set out below in relation to Moody's and the criteria set out below in relation to Fitch .

Fitch Criteria

"**Fitch Credit Support Amount**" shall mean with respect to a Transferor on a Valuation Date:

- (A) if the Fitch Threshold for Party A is infinity (irrespective of whether the Threshold is infinity or zero), zero;
- (B) if (i) an Initial Fitch Rating Event has occurred and is continuing and Party A (or its successor or permitted transferee) or any Credit Support Provider (that is a Fitch Eligible Guarantor) from time to time in respect of Party A (any such entity, a "**Fitch Relevant Entity**") has the Formula 1 Ratings and (ii) either such Initial Fitch Rating Event has continued since this Credit Support Annex was most recently amended and restated or 14 or more calendar days have elapsed since such Initial Fitch Rating Event first occurred, an amount calculated in accordance with Formula 1; and

- (C) if (i) no Fitch Relevant Entity has the Formula 1 Ratings and (ii) either this has been the case since this Credit Support Annex was executed or 14 or more calendar days have elapsed since any Fitch Relevant Entity had the Fitch Formula 1 Ratings, an amount calculated in accordance with Formula 2.

where:

"Formula 1 Ratings" has the meaning given to such terms in the following table:

Current Rating of Relevant Notes	Formula 1 Ratings
AAAsf or lower (but higher than AA+sf)	A- or F2
AA+sf or lower (but higher than A+sf)	BBB+ or F2
A+sf or lower (but higher than BBB+sf)	BBB- or F3
BBB+sf or lower (but higher than BB+sf)	No Formula 1 Ratings Apply
BB+sf or lower (but higher than B+sf)	No Formula 1 Ratings Apply
B+sf or below or no Notes rated by Fitch	No Formula 1 Ratings Apply

"max" means maximum;

"MV" means the Transferee's Exposure calculated at the time of valuation for the purpose of collateral posting;

"Formula 1" means $\max [MV + \text{Formula 1 Amount}; 0]$;

"Formula 1 Amount" means an amount equal to the sum of the amounts calculated in respect of each Fixed Transaction in accordance with the following formula:

LA multiplied by VC multiplied by 0.60 multiplied by N

"Formula 2" means $\max [MV + \text{Formula 2 Amount}; 0]$;

"Formula 2 Amount" means an amount equal to the sum of the amounts calculated in respect of each Fixed Transaction in accordance with the following formula:

LA multiplied by VC multiplied by N

"BLA" means 25%;

"LA" means $(1 + \text{BLA}) * (1 + \max (0\%; 5\% * (\text{WAL} - 20)))$;

"VC" means with respect to each Fixed Transaction, the relevant percentage specified in the below table in respect of interest rate swaps with a weighted average life that is equal to (or closest to) the WAL for the Fixed Transaction under the heading *"Fixed/floating interest rate swaps depending on the WAL (years)(%)"*.

VCs for Interest Rate Swaps

		<i>Fixed/floating interest rate swaps depending on the WAL (years) (%)</i>						
Notes' rating	Basis swaps (%)	<1	1-3	3-5	5-7	7-10	10-20	20-50
'AA-sf' or above	0.75	0.75	2.25	3.50	4.50	5.50	7.50	9.50
Below 'AA-sf'	0.50	0.50	1.50	2.50	3.00	3.50	4.50	5.50

“**WAL**” means, in relation to the Fitch Criteria, the weighted average life of the relevant Fixed Transaction.

"**N**" means the Transaction Notional Amount for the relevant Fixed Transaction for the Calculation Period which includes such Valuation Date.

Moody's Criteria

"**Moody's Credit Support Amount**" means with respect to a Transferor on a Valuation Date:

- (a) if the Moody's Threshold for Party A is infinity, zero;
- (b) if the Moody's Threshold for Party A is zero the greater of:
 - (I) zero; and
 - (II) the sum of (x) the Transferee's Exposure and (y) the aggregate of the Moody's Additional Amounts in respect of such Valuation Date for the Fixed Transactions.

Where:

"**Moody's Additional Amount**" means for any Valuation Date, in respect of any Fixed Transaction, the lesser of (x) the product of the Moody's Single Currency DV01 Multiplier and the Transaction Single Currency DV01 for such Transaction and (y) the product of the Moody's Single Currency Notional Amount Multiplier and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date.

“**Moody’s Single Currency DV01 Multiplier**” means 50;

“**Moody’s Single Currency Notional Amount Multiplier**” means 0.08; and

"**Transaction Single Currency DV01**" means, with respect to a Fixed Transaction and any date of determination the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such Fixed Transaction that would result from a one basis point change in the relevant swap curve on such date, as determined by the Valuation Agent in good faith and in a commercially reasonable manner in accordance with the relevant methodology customarily used by the Valuation Agent.

S&P Criteria

"S&P Credit Support Amount" shall mean for the purposes of the S&P Criteria with respect to a Transferor on a Valuation Date:

- (1) If the S&P Threshold for such Valuation Date is zero, an amount equal to the greater of: (a) zero and (b) S&P Posting Amount; and:
- (2) If the S&P Threshold is infinity (irrespective of whether the Threshold is infinity or zero), the S&P Credit Support Amount shall be zero.

Where:

"S&P Posting Amount" means, if an S&P Rating Event has occurred and has been continuing for 10 or more Local Business Days, where Party A's S&P Framework is:

- (i) S&P Strong, an amount equal to the lesser of:
 - (A) the sum of (i) the Transferee's Exposure plus (ii) the aggregate of, with respect to each Transaction, the product of the applicable S&P Volatility Buffer multiplied by the Transaction Notional Amount, determined on such Valuation Date, of the applicable Transaction; and
 - (B) the sum of (i) the Transferee's Exposure plus (ii) the aggregate of with respect to each Transaction, the product of 220 multiplied by S&P DV01;
- (ii) S&P Adequate, an amount equal to the lesser of:
 - (A) the sum of (i) the Transferee's Exposure plus (ii) the aggregate of, with respect to each Transaction, the product of the applicable S&P Volatility Buffer multiplied by the Transaction Notional Amount, determined on such Valuation Date, of the applicable Transaction; and
 - (B) the sum of (i) the Transferee's Exposure plus (ii) the aggregate of with respect to each Transaction, the product of 100 multiplied by the S&P DV01;
- (iii) S&P Moderate, an amount equal to the Transferee's Exposure determined on such Valuation Date;

"S&P Volatility Buffer" means, at any time, the applicable volatility buffer at such time determined (i) by reference to the applicable S&P Framework as set out in the tables entitled "S&P Volatility Buffers" in Appendix C below.

"S&P DV01" means, with respect to a Transaction and any date of determination, the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such Transaction that would result from a one basis point change in the relevant swap curve on such date, as determined by the Valuation Agent in good faith and in a commercially reasonable manner in accordance with the relevant methodology customarily used by the Valuation Agent.

(vii) **Calculations.**

Paragraph 3(b) of this Annex shall be amended by inserting the words "and shall provide each party (or the other party, if the Valuation Agent is a party) with a description in reasonable detail of how such calculations were made, upon request" after the word "calculations" in the third line thereof.

- (viii) **"Exposure"** has the meaning specified in Paragraph 10, except that (1) after the word "Agreement" the words "(assuming, for this purpose only, that Part 5(16) (Calculations) of the Schedule is deleted)" shall be inserted, (2) the words "all Transactions (other than the Transaction constituted by this Annex)" in the fourth line thereof shall be deleted and replaced with the words "only the Fixed Transactions" instead and (3) at the end of the definition of Exposure, the words "with terms that are, in all material respects, no less beneficial for Party B than those of this Agreement" shall be added.

(ix) **Paragraph 6**

For the purposes of determining the Credit Support Balance pursuant to Paragraph 6, the definition of Value in Paragraph 10 shall be amended by deleting the words "multiplied by the applicable Valuation Percentage, if any" from sub-paragraphs (i)(A) and (i)(B).

(x) **Definitions. As used in this Annex, the following terms shall mean:**

"Fitch" means Fitch Ratings Ltd and includes any successors thereto;

"Moody's" means Moody's Investors Service Limited and includes any successors thereto;

"S&P" means Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Services Europe Limited.

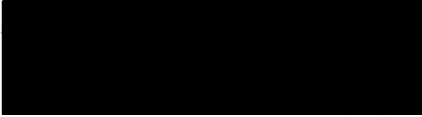
"Transaction Credit Support Amount" means the amount calculated in respect of each of the Transactions (other than the Transaction constituted by this Annex) in order to determine the Fitch Credit Support Amount, the Moody's Credit Support Amount or the S&P Credit Support Amount, as the case may be.

"Transaction Notional Amount" means, in respect of any Fixed Transaction, (A) in respect of any Transaction that is a cross-currency hedge, the Base Currency Equivalent of the Currency Amount applicable to Party A's payment obligations and (B) in respect of any other Transaction, the Base Currency Equivalent of the Notional Amount.

IN WITNESS WHEREOF the parties have signed this Annex as of the date first above written.

SANTANDER UK PLC,

By:



Title:



Date:

HOLMES FUNDING LIMITED

By:

Title:

Date:

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

By:

Title:

Date:

IN WITNESS WHEREOF the parties have signed this Annex as of the date first above written.

SANTANDER UK PLC

By:

Title:

Date:

HOLMES FUNDING LIMITED

By:

Title:

Date:

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

By:

Title:

Date:

IN WITNESS WHEREOF the parties have signed this Annex as of the date first above written.

SANTANDER UK PLC

By:

Title:

Date:

HOLMES FUNDING LIMITED

By:

Title:

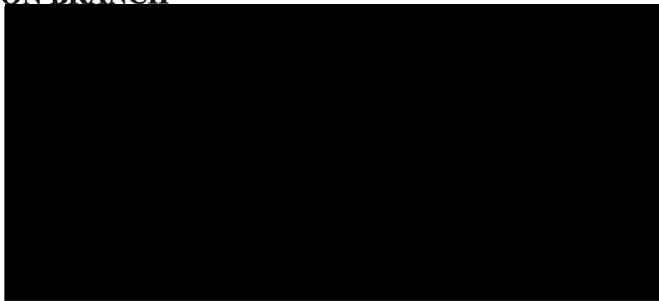
Date:

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

By:

Title:

Date:



APPENDIX A

Fitch Eligible Credit Support and Fitch Valuation Percentages

The applicable Valuation Percentage in respect of Fitch (the “**Fitch Valuation Percentage**”) shall be equal to the relevant Fitch Advance Rate determined by reference to the tables set out below or, in relation to any type of Eligible Credit Support not listed in that table, such percentage as may be agreed between Party A, Party B and Fitch from time to time:

Cash in the Base Currency: 100 per cent.

Cash in an Eligible Currency other than the Base Currency: 100 per cent. x FXAR

Government bonds denominated in an Eligible Currency: as determined by reference to the tables below and provided they are rated A/F1 or higher by Fitch.

Fitch's Advance Rates (ARs) for Government Bonds rated at least AA- and F1+ and Currency Risk

Sovereign Region	Bond Issuer	Sovereign Bond Maturity	Highest rated note "AA-sf" or higher	Highest rated note "A+sf" or lower
Australia and New Zealand		<1 year	98.5%	99.0%
Australia and New Zealand		1-3 years	97.0%	98.0%
Australia and New Zealand		3-5 years	94.5%	96.0%
Australia and New Zealand		5-7 years	92.0%	94.5%
Australia and New Zealand		7-10 years	89.0%	93.0%
Denmark and Sweden		<1 year	98.5%	99.0%
Denmark and Sweden		1-3 years	96.5%	97.5%
Denmark and Sweden		3-5 years	93.5%	95.5%
Denmark and Sweden		5-7 years	91.5%	94.5%
Denmark and Sweden		7-10 years	88.5%	92.5%
Eurozone		<1 year	98.5%	99.0%
Eurozone		1-3 years	96.5%	97.5%
Eurozone		3-5 years	93.5%	96.0%
Eurozone		5-7 years	91.5%	94.5%
Eurozone		7-10 years	89.5%	93.0%
Eurozone		10-30 years	75.0%	82.5%
Singapore		<1 year	97.5%	98.0%
Singapore		1-3 years	94.5%	95.5%
Singapore		3-5 years	91.5%	93.0%
Singapore		5-7 years	87.0%	89.0%
Singapore		7-10 years	81.5%	84.5%
Switzerland		<1 year	98.5%	99.0%
Switzerland		1-3 years	97.5%	98.0%
Switzerland		3-5 years	95.5%	97.0%
Switzerland		5-7 years	94.5%	96.0%
Switzerland		7-10 years	93.5%	95.5%
UK		<1 year	98.5%	99.0%
UK		1-3 years	96.5%	97.5%
UK		3-5 years	92.0%	94.5%

UK	5-7 years	91.0%	94.0%
UK	7-10 years	89.5%	93.0%
UK	10-30 years	80.0%	87.0%
US and Canada	<1 year	97.5%	98.0%
US and Canada	1-3 years	96.0%	97.0%
US and Canada	3-5 years	93.5%	94.5%
US and Canada	5-7 years	93.0%	94.0%
US and Canada	7-10 years	91.0%	92.5%
US and Canada	10-30 years	80.0%	87.0%

Fitch's ARs for Government Bonds rated at least A and F1 and Currency Risk

Sovereign Bond Issuer Region	Sovereign Bond Maturity	Highest rated note "AA-sf" or higher	Highest rated note A+sf or lower or lower
Eurozone	<1 year	95.0%	96.5%
Eurozone	1-3 years	88.0%	92.0%
Eurozone	3-5 years	83.0%	88.5%
Eurozone	5-7 years	78.0%	85.5%
Eurozone	7-10 years	78.0%	85.5%
Eurozone	10-30 years	77.5%	85.0%
Japan	<1 year	99.0%	99.0%
Japan	1-3 years	97.0%	98.0%
Japan	3-5 years	94.5%	96.5%
Japan	5-7 years	92.0%	94.5%
Japan	7-10 years	87.5%	92.0%
Japan	10-30 years	71.0%	81.0%

Fitch's ARs for FX Mismatches

FX Risk – FXAR		
	Highest rated note AA- or higher	Highest rated note A+ or lower
FX risk for currency pairs involving AUD, CAD, CHF, CZK, DKK, EUR, GBP, NOK, NZD, JPY, KRW, SEK, SGD and USD**	86.0%	90.5%

** The FX AR will apply whenever a currency mismatch is present. In case foreign currency government bonds are provided, both the AR for FX risk and the security AR will be multiplied. The FX ARs for currency pairs other than AUD, CAD, CHF, CZK, DKK, EUR, GBP, NOK, NZD, JPY, KRW, SEK, SGD and USD are not provided, but Fitch may publish these in the future.

APPENDIX B

Moody's Eligible Credit Support and Valuation Percentages

“**Moody’s Valuation Percentage**” means, with respect to the Valuation Date and each instrument, the percentage specified in the table below.

Instrument	Valuation Percentage
GBP Cash	100%
EUR Cash	97%
USD Cash	95%
SEK Cash	91%
NOK Cash	91%
CHF Cash	90%
NZD Cash	91%
KRW Cash	92%
SGD Cash	96%
HKD Cash	93%
AUD Cash	92%
YEN Cash	89%
US Dollar Denominated Fixed Rate Negotiable Debt issued by the US Treasury with Remaining Maturity	
≤1 year	95%
>1 and ≤2	94%
>2 and ≤3	93%
>3 and ≤5	92%
>5 and ≤7	91%
>7 and ≤10	89%
>10 and ≤20	86%
>20	84%
US Dollar Floating Rate Negotiable Debt issued by the US Treasury	
All Maturities	94%
US Dollar Denominated Fixed Rate US Agency Debentures with Remaining Maturity	
≤1 year	94%
>1 and ≤2	94%
>2 and ≤3	93%
>3 and ≤5	91%
>5 and ≤7	90%
>7 and ≤10	88%
>10 and ≤20	85%
>20	83%
US Dollar Floating Rate US Agency Debentures	

All Maturities	93%
EURO Denominated Fixed Rate Eurozone Government Bonds Rated Aa3 or Above by Moody's with Remaining Maturity	
≤1 year	97%
>1 and ≤2	96%
>2 and ≤3	95%
>3 and ≤5	93%
>5 and ≤7	92%
>7 and ≤10	91%
>10 and ≤20	86%
>20	84%
EURO Denominated Floating Rate Eurozone Government Bonds Rated Aa3 or Above by Moody's	
All Maturities	96%
Sterling Denominated Fixed Rated United Kingdom Gilts with Remaining Maturity	
≤1 year	99%
>1 and ≤2	98%
>2 and ≤3	97%
>3 and ≤5	96%
>5 and ≤7	95%
>7 and ≤10	94%
>10 and ≤20	90%
>20	88%
Sterling Denominated Floating Rated United Kingdom Gilts	
All Maturities	99%
SEK Denominated Fixed Rate Swedish Government Bonds with Remaining Maturity	
≤1 year	90%
>1 and ≤2	90%
>2 and ≤3	90%
>3 and ≤5	90%
>5 and ≤7	89%
>7 and ≤10	89%
>10 and ≤20	86%
>20	86%
NOK Denominated Fixed Rate Norwegian Government Bonds with Remaining Maturity	
≤1 year	90%
>1 and ≤2	90%
>2 and ≤3	90%
>3 and ≤5	90%
>5 and ≤7	89%
>7 and ≤10	89%
CHF Denominated Fixed Rate Swiss Government Bonds with Remaining Maturity	

≤1 year	90%
>1 and ≤2	90%
>2 and ≤3	89%
>3 and ≤5	89%
>5 and ≤7	88%
>7 and ≤10	88%
>10 and ≤20	86%
>20	85%

NZD Denominated Fixed Rate New Zealand Government Bonds with Remaining Maturity

≤1 year	92%
>1 and ≤2	91%
>2 and ≤3	91%
>3 and ≤5	91%
>5 and ≤7	89%
>7 and ≤10	89%

KRW Denominated Fixed Rate South Korean Government Bonds with Remaining Maturity

≤1 year	93%
>1 and ≤2	92%
>2 and ≤3	92%
>3 and ≤5	92%
>5 and ≤7	92%
>7 and ≤10	89%
>10 and ≤20	88%
>20	85%

SGD Denominated Fixed Rate Singaporean Government Bonds with Remaining Maturity

≤1 year	94%
>1 and ≤2	94%
>2 and ≤3	94%
>3 and ≤5	94%
>5 and ≤7	92%
>7 and ≤10	92%
>10 and ≤20	91%
>20	88%

HKD Denominated Fixed Rate Hong Kong Government Bonds with Remaining Maturity

≤1 year	93%
>1 and ≤2	93%
>2 and ≤3	93%
>3 and ≤5	92%
>5 and ≤7	91%
>7 and ≤10	89%

>10 and ≤15	80%
AUD Denominated Fixed Rate Australian Government Bonds with Remaining Maturity	
≤1 year	92%
>1 and ≤2	92%
>2 and ≤3	92%
>3 and ≤5	92%
>5 and ≤7	91%
>7 and ≤10	90%
>10 and ≤15	89%
YEN Denominated Fixed Rate Japanese Government Bonds with Remaining Maturity	
≤1 year	89%
>1 and ≤2	89%
>2 and ≤3	89%
>3 and ≤5	89%
>5 and ≤7	89%
>7 and ≤10	88%
>10 and ≤20	86%
>20	84%

Moody's Additional Amount Table

SWAP TENOR (YEARS)	SINGLE CURRENCY SWAPS
≤1	0.50%
>1 and ≤2	1.00%
>2 and ≤3	1.50%
>3 and ≤4	1.90%
>4 and ≤5	2.40%
>5 and ≤6	2.80%
>6 and ≤7	3.20%
>7 and ≤8	3.60%
>8 and ≤9	4.00%
>9 and ≤10	4.40%
>10 and ≤11	4.70%
>11 and ≤12	5.00%
>12 and ≤13	5.40%
>13 and ≤14	5.70%
>14 and ≤15	6.00%
>15 and ≤16	6.30%
>16 and ≤17	6.60%
>17 and ≤18	6.90%
>18 and ≤19	7.20%
>19 and ≤20	7.50%
>20 and ≤21	7.80%
>21 and ≤22	8.00%
>22 and ≤23	8.00%
>23 and ≤24	8.00%
>24 and ≤25	8.00%
>25 and ≤26	8.00%
>26 and ≤27	8.00%
>27 and ≤28	8.00%
>28 and ≤29	8.00%
>29	8.00%

APPENDIX C

S&P Eligible Credit Support and S&P Valuation Percentages

Category Description	Eligible Credit Support	Valuation Percentage
Cash	Cash in the Base Currency Cash in an Eligible Currency other than the Base Currency	100% 100% <i>minus</i> the relevant percentage specified in S&P Haircuts Table 1 below.
Category 1	Negotiable debt obligations issued by the government of an Eligible Sovereign, in each case denominated in the local currency of the relevant Eligible Sovereign, provided that in the case of zero-coupon bonds, such bonds will have a remaining term to maturity of less than one year.	If the obligation is denominated in the Base Currency, 100% minus the relevant percentage specified in S&P Haircuts Table 2 below If the obligation is not denominated in the Base Currency, the product of: (a) 100% minus the relevant percentage specified in S&P Haircuts Table 1 below; and (b) 100% minus the relevant percentage specified in S&P Haircuts Table 2 below

For purposes of the above:

- (i) **"Eligible Sovereign"** means each of the following sovereigns that has a local currency sovereign rating at least as high as A from S&P:
- (a) Australia;
 - (b) Austria;
 - (c) Belgium;
 - (d) Canada;
 - (e) Denmark;
 - (f) Finland;
 - (g) France;
 - (h) Germany;
 - (i) Hong Kong;
 - (j) Japan;
 - (k) Netherlands;
 - (l) Norway;
 - (m) Singapore;
 - (n) South Korea;
 - (o) Sweden;
 - (p) Switzerland;
 - (q) the U.K.; and
 - (r) the U.S.; and
- (ii) **"S&P Valuation Percentage"** means, with respect to a Valuation Date and each instrument in the above table, the Valuation Percentage specified for such instrument in the above table.

S&P Volatility Buffers

Volatility Buffers For Interest Rate And Currency Derivatives

As a % of the derivative notional amount

	Volatility buffers supporting a “strong” collateral framework			Volatility buffers supporting an “adequate” collateral framework		
Remaining Weighted-average life of swap (years)(i)	Interest rate—fixed-floating	Interest rate—floating-floating	Cross-currency swap	Interest rate—fixed-floating	Interest rate swap—floating-floating	Cross-currency swap
[0;1]	2.0	2.0	14.0	1.0	1.0	6.0
(1;2]	4.0	2.5	14.5	2.0	1.0	6.0
(2;3]	6.0	2.5	14.5	2.5	1.0	6.0
(3;5]	8.5	3.0	15.0	3.5	1.5	7.0
(5;7]	10.0	3.5	16.5	4.0	2.0	7.5
(7;10]	12.0	4.0	18.0	5.0	2.0	7.5
(10;15]	14.0	4.5	21.0	6.0	3.0	8.0
(15;20]	14.5	5.0	22.5	6.5	3.5	9.0
Greater than 20	15.0	5.5	24.0	7.0	4.0	10.0

(i) The Symbol ‘(‘ denotes exclusion of the first data point in the range, and the symbol ‘]’ denotes the inclusion of the last data point in the range.

S&P Haircuts Table 1

Currency Haircuts Commensurate With Each Collateral Framework Assessment

"Strong"	"Adequate" or "moderate"
20%	8%

S&P Haircuts Table 2

Remaining term to maturity (years)	[0; 1]	(1; 3]	(3; 5]	(5; 7]	(7; 10]	(10; 15]	(15; 20]	>20
Haircuts for "strong" collateral assessment (%)								
Sovereigns	8.0	10.0	12.0	14.0	18.0	19.0	20.0	21.0
Covered bonds	12.0	15.0	18.0	21.0	27.0	28.5	30.0	31.5
Haircuts for "adequate" collateral assessment (%)								
Sovereigns	5.0	5.0	7.0	7.0	8.0	8.0	9.0	10.0
Covered bonds	7.5	7.5	10.5	10.5	12.0	12.0	13.5	15.0
Haircuts for "moderate" collateral assessment (%)								
Sovereigns	0.5	2.0	2.0	4.0	4.0	4.5	5.0	5.5
Covered bonds	1.0	4.0	4.0	8.0	8.0	9.0	10.0	11.0

(i) The symbol '(' denotes exclusion of the first data point in the range, and the symbol ']' denotes the inclusion of the last data point in the range.