

# AMENDED AND RESTATED ASSET MONITOR AGREEMENT

30 April 2021

**ABBAY COVERED BONDS LLP**  
as the LLP

and

**SANTANDER UK PLC**  
as ISSUER and CASH MANAGER

and

**DELOITTE LLP**  
as ASSET MONITOR

and

**DEUTSCHE TRUSTEE COMPANY LIMITED**  
as SECURITY TRUSTEE and BOND TRUSTEE

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**THIS AGREEMENT** is made on 30 April 2021

**BETWEEN:**

- (1) **ABBEY COVERED BONDS LLP** (registered number OC312644), a limited liability partnership incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (the **LLP**);
- (2) **SANTANDER UK PLC** (previously known as Abbey National plc) (registered number 2294747), 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, acting in its capacities as the **Issuer** and the **Cash Manager**;
- (3) **DELOITTE LLP** acting through its offices at 2 New Street Square, London EC4A 3BZ, acting in its capacity as **Asset Monitor**; and
- (4) **DEUTSCHE TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England and Wales whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB, acting in its capacity as **Security Trustee** and **Bond Trustee**.

**WHEREAS:**

- (A) Pursuant to the terms of the Cash Management Agreement, the Cash Manager has agreed to perform certain calculations in relation to the Asset Coverage Test and the Amortisation Test.
- (B) The Asset Monitor has agreed to be appointed by the LLP to carry out various testing and notification duties in relation to the calculations performed by the Cash Manager in relation to the Asset Coverage Test and the Amortisation Test subject to and in accordance with the terms of this Agreement.
- (C) Pursuant to the Deed of Substitution, Novation and Amendment, the Issuer was substituted in replacement of Abbey National Treasury Services plc as issuer of the Covered Bonds on 1 June 2016 on the terms applicable to each series of Covered Bonds then existing and all Series of Covered Bonds to be issued on or after that date.

**IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement:

**2021 Amendment Date** means 30 April 2021;

**Abbey or Santander UK** means Santander UK plc (registered number 2294747) (previously 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;

**Adjusted Aggregate Loan Amount** has the meaning given in Clause 11.2 of the LLP Deed;

**Amortisation Test** has the meaning given in Clause 12 of the LLP Deed;

**Amortisation Test Aggregate Loan Amount** has the meaning given in Clause 12.2 of the LLP Deed;

**Annual Submission Date** means the date that the Issuer has agreed to submit the Asset Pool Monitor Report to the FCA for the purposes of complying with the RCB Regulations, being as at the date of

this Agreement 8 November in each year, or such other date as agreed from time to time between the Issuer and the FCA;

**APMR Calculation Date** means the Calculation Date determined by the Asset Monitor (in its sole discretion) as the date required for the Asset Monitor to prepare the Asset Pool Monitor Report in accordance with Clause 2, such that the Asset Monitor is able to complete the Asset Pool Monitor Report in reasonable time for the Annual Submission Date as notified by the Issuer to Deloitte (including to permit the Issuer to deliver the Asset Pool Monitor Report to the FCA by each Annual Submission Date);

**Asset Coverage Test** has the meaning given in Clause 11 of the LLP Deed;

**Asset Monitor Fee** has the meaning given in Clause 6.1 of this Agreement;

**Asset Monitor Parties** means all entities (including Deloitte LLP) that are members of the Deloitte Touche Tohmatsu worldwide network (**DTT**) and each of their subsidiaries, predecessors, successors and assignees, and all partners, principals, members, owners, directors, employees and agents of all such entities (and, for the purposes of this Agreement, a partner of Deloitte LLP shall mean a member of Deloitte LLP in his/her capacity as such);

**Asset Percentage** means 91 per cent. or such lesser percentage figure as determined from time to time pursuant to Clause 11.3 of the LLP Deed;

**Asset Pool Monitor** means an asset pool monitor appointed by an issuer of a regulated covered bond in accordance with regulation 17(A)(1) of the RCB Regulations;

**Asset Pool Monitor Report** means the annual report to be prepared by the Asset Monitor (in its capacity as Asset Pool Monitor) and submitted to the FCA (as competent authority under the RCB Regulations) in accordance with regulation 17A(3)(b) of the RCB Regulations and prepared by the Asset Monitor which is substantially in the form set out in Schedule 3 or such other form as may be agreed by the LLP, the Issuer and the Asset Monitor from time to time;

**Asset Monitor Reports** means the reports prepared pursuant to this Agreement by the Asset Monitor prior to the 2021 Amendment Date which includes the calculations and procedures set out in Schedule 2;

**Authorised Investments** means each of:

- (a) Sterling gilt-edged securities having a remaining maturity date of 30 days or less and maturing on or before the next following LLP Payment Date;
- (b) Sterling demand or time deposits, certificates of deposit, long-term debt obligations and short-term debt obligations provided that in all cases such investments have a remaining period to maturity of 30 days or less and mature on or before the next following LLP Payment Date and (i) the short-term, unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) are rated at least A-1+ by S&P, P-1 by Moody's and F1 by Fitch and (ii) the long-term, unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) are rated at least A by Fitch; and
- (c) Sterling denominated government and public securities, as defined from time to time by the FCA, provided that such investments have a remaining period to maturity of 30 days or less

and mature on or before the next following LLP Payment Date and which are rated Aaa by Moody's, AAA by S&P and AAA by Fitch,

provided that such Authorised Investments comply with the requirements of Regulation 2(1)(a) of the RCB Regulations;

**Bank Account Agreement** means the bank account agreement entered into on the Programme Date as amended and restated on 4 October 2007 and 9 September 2011 between the LLP, the Account Banks, the Cash Manager and the Security Trustee (as the same may be further amended, restated, supplemented, replaced or novated from time to time);

**Calculation Date** means the third London Business Day prior to each LLP Payment Date;

**Cash Management Agreement** means the cash management agreement entered into on the Programme Date as amended and restated on 20 May 2008 and 24 December 2012 between the LLP, the Cash Manager and the Security Trustee (as the same may be further amended, restated, supplemented, replaced or novated from time to time);

**Covered Bond** means each covered bond issued or to be issued pursuant to the Programme Agreement and which is or is to be constituted under the Trust Deed;

**Covered Bond Swap Agreement** means each agreement between the LLP, a covered bond swap provider and the Security Trustee governing a covered bond swap in the form of a 1992 ISDA Master Agreement (Multicurrency – Cross Border), as published by ISDA, including a schedule and confirmation;

**Covered Bond Swap Rate** means, in relation to a Series of Covered Bonds, the exchange rate specified in the Covered Bond Swap Agreement relating to such Covered Bonds or, if the relevant Covered Bond Swap Agreement has terminated, the applicable spot rate;

**Dealers** means the dealers appointed from time to time in accordance with the Programme Agreement;

**Deed of Charge** means the deed of charge dated the Programme Date as supplemented on 4 October 2007, 20 May 2008, 9 September 2011, 12 July 2013, 25 June 2014 and 26 April 2016 and made between the LLP, the Bond Trustee, the Security Trustee and certain other secured creditors (as the same may be further amended, supplemented and/or restated from time to time);

**Deed of Substitution, Novation and Amendment** means the deed of substitution, novation and amendment dated 26 April 2016 and made between, among others, the parties hereto, pursuant to which, *inter alia*, Santander UK plc assumed all the rights and obligations of Abbey National Treasury Services plc as principal obligor and issuer under the Programme, including under the Programme Agreement, the Trust Deed and all other Transaction Documents, and in respect of all Series of Covered Bonds issued and to be issued, replacing Abbey National Treasury Services plc as principal obligor and issuer under the Programme;

**Deemed Ratings** has the meaning given in Clause 2.3 of this Agreement;

**First Issue Date** means the date on which the Issuer issues a series of Covered Bonds for the first time pursuant to the Programme;

**Fitch** means Fitch Ratings Ltd. or its successors;

**Flexible Draw Capacity** means the amount equal to the excess of (a) the maximum amount that Borrowers may draw under Flexible Loans included in the Portfolio (whether or not drawn) over

(b) the aggregate Outstanding Principal Balance in respect of Flexible Loans in the Portfolio on the relevant Calculation Date;

**GIC Account** means the account in the name of the LLP held with Abbey and maintained subject to the terms of the Guaranteed Investment Contract, the Bank Account Agreement, the Deed of Charge and the LLP Deed or such additional or replacement account as may be for the time being in place pursuant to the Cash Management Agreement with the prior consent of the Security Trustee and designated as such;

**Event of Default** means any of the conditions, events or acts provided in Condition 9.2 (*LLP Events of Default*) of the Terms and Conditions;

**FCA** means the Financial Conduct Authority;

**Intercompany Loan Agreement** means the term loan agreement dated the Programme Date as amended and restated on 4 October 2007, 20 May 2008 and 1 June 2016 between the Issuer, the LLP, the Cash Manager and the Security Trustee (as the same may be amended, restated, supplemented, replaced or novated from time to time);

**Issue Date** means each date on which the Issuer issues Covered Bonds to the holders for the time being of the Covered Bonds;

**Liquidation Member** means Abbey Covered Bonds (LM) Limited, a special purpose vehicle incorporated in England and Wales as a private limited company (registered no. 5365645);

**LLP Accounts** means any accounts or replacement accounts opened in the name of the LLP;

**LLP Deed** means the limited liability partnership deed entered into on the Programme Date as supplemented on or about 15 August 2005, 4 October 2007, 20 May 2008, 8 September 2009, 24 December 2012, 12 July 2013 and as amended and restated on 1 June 2016 by the Deed of Substitution, Novation and Amendment between the LLP, Seller, the Liquidation Member, the Bond Trustee and the Security Trustee (as the same may be amended, restated, modified, supplemented, replaced or restated from time to time), a copy of which is attached as Schedule 1 to this Agreement;

**LLP Event of Default** has the meaning given in Condition 9.2 (*LLP Events of Default*) of the Terms and Conditions;

**LLP Payment Date** means the 12th day of each month or, if not a London Business Day, the next following London Business Day;

**London Business Day** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

**London Stock Exchange** means the London Stock Exchange plc;

**Monthly Report** means a monthly report provided by the Servicer to the LLP, the Security Trustee, each Rating Agency and investors in Covered Bonds pursuant to the Servicing Agreement;

**Moody's** means Moody's Investors Service Limited or its successors;

**Negative Carry Factor** means a percentage (which will never be less than 0.50 per cent.) calculated by reference to the weighted average margin of the Covered Bonds;

**Notice to Pay** has the meaning given to it in Condition 9.1 (*Issuer Events of Default*) of the Terms and Conditions and is substantially in the form set out in Schedule 3 to the Trust Deed;

**Principal Amount Outstanding** means in respect of a Covered Bond on any day, the principal amount of that Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant holder of a Covered Bond in respect thereof on or prior to that day;

**Priorities of Payments** means the orders of priority for the allocation and distribution of amounts standing to the credit of the LLP Accounts in different circumstances;

**Programme** means the global covered bond programme established by the Issuer on the Programme Date (as updated, supplemented, amended and/or increased from time to time since the Programme Date);

**Programme Agreement** means the amended and restated programme agreement dated the Programme Date, as amended and restated on 4 October 2007, 20 May 2008, 9 September 2010, 9 September 2011, 12 July 2013, 1 June 2016, 2 June 2017, 24 April 2018, 18 April 2019, 16 June 2020 and 30 April 2021 between the Issuer, the LLP and the Dealers named therein (or deemed named therein) concerning the purchase of Covered Bonds to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating or modifying such agreement and any accession letters and/or agreements supplemental thereto;

**Programme Date** means 3 June 2005;

**Rating Agencies** means Moody's, S&P and Fitch and each, a **Rating Agency**;

**RCB Regulations** means the Regulated Covered Bonds Regulations 2008 (SI 2008/346) as amended from time to time;

**Required Redemption Amount** means, in respect of any relevant Series of Covered Bonds, the amount calculated as follows:

$$\left( \begin{array}{l} \text{Principal Amount Outstanding of the} \\ \text{relevant Series of Covered Bonds} \end{array} \right) \times \left( 1 + \text{Negative Carry Factor} \times \frac{\text{days to maturity of the relevant Series of Covered Bonds}}{365} \right);$$

**S&P** means S&P Global Ratings Europe Limited or its successors;

**Security** means the security granted by the LLP to the Security Trustee under and pursuant to the terms of the Deed of Charge;

**Seller** means Santander UK plc;

**Servicer** means Santander UK plc in its capacity as servicer under the Servicing Agreement together with any successor servicer appointed from time to time;

**Services** means the services set out under Clause 2 of this Agreement;

**Servicing Agreement** means the servicing agreement entered into on the Programme Date as amended and restated on 4 October 2007 and as supplemented on 20 May 2008, 5 July 2012, 24 December

2012, 24 April 2018 and 16 June 2020 between the LLP, the Servicer and the Security Trustee (as the same may be further amended, restated, supplemented, replaced or novated from time to time);

**Sterling** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

**Sterling Equivalent** means, in relation to a Term Advance or a Series of Covered Bonds (including any calculations of the Required Redemption Amount of such Series of Covered Bonds) which is denominated in (a) a currency other than Sterling, the Sterling equivalent of such amount ascertained using the relevant Covered Bond Swap Rate relating to such Term Advance or the Term Advance applicable to such Series of Covered Bonds and (b) Sterling, the applicable amount in Sterling;

**Term Advance** means each term advance made by the Issuer to the LLP from the proceeds of Covered Bonds pursuant to the Intercompany Loan Agreement;

**Terms and Conditions** means the terms and conditions of the Covered Bonds (as set out in Schedule 1 of the Trust Deed); and

**Trust Deed** means the trust deed entered into on the Programme Date as supplemented on 16 August 2005, 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 29 June 2012, 12 July 2013, 25 June 2014, 1 June 2016, 24 April 2018, 19 April 2019, 16 June 2020 and 30 April 2021 (as the same may be further supplemented, amended and/or restated from time to time), between the Issuer, the LLP, the Security Trustee and the Bond Trustee under which Covered Bonds will, on issue, be constituted and which sets out the terms and conditions on which the Bond Trustee has agreed to act as bond trustee and includes any trust deed or other document executed by the Issuer, the LLP, the Security Trustee and the Bond Trustee in accordance with the provisions of the Trust Deed and expressed to be supplemental to the Trust Deed.

- 1.2 The master definitions and construction agreement made between, *inter alios*, the LLP, the Issuer, the Cash Manager, the Security Trustee and the Bond Trustee on 3 June 2005 as amended and restated on 4 October 2007, 20 May 2008, 8 September 2009, 8 November 2010, 9 September 2011, 24 December 2012, as amended on 12 July 2013 pursuant to a Deed of Amendment and Termination and as amended and restated on 23 June 2015, 1 June 2016, 24 April 2018, 18 April 2019, 16 June 2020 and as further amended on 30 April 2021 (as the same may be amended, varied and/or supplemented from time to time, the
- 1.3 "**Master Definitions and Construction Agreement**") is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Agreement (as so amended, varied and/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 (*Interpretation and Construction*) of the Master Definitions and Construction Agreement.
- 1.4 This Agreement amends and restates the Asset Monitor Agreement dated 3 June 2005 as amended and restated on 24 December 2012, 23 June 2014 and 16 June 2020 between the parties hereto in respect of a Covered Bond Programme established by the Issuer, and shall take effect on and from 30 April 2021 (the "**Effective Date**").

## **2. SERVICES OF THE ASSET MONITOR**

- 2.1 Subject to Clauses 2.3, 2.4 and 2.7, if the APMR Calculation Date preceding the Annual Submission Date falls prior to service of a Notice to Pay, and subject to receipt of the information to be provided to it by the Cash Manager in accordance with Clause 3 in relation to the calculations performed by the



Cash Manager regarding the relevant Asset Coverage Test, the Asset Monitor shall as soon as reasonably practicable (and in any event not later than 10 London Business Days following receipt of such information from the Cash Manager), test the arithmetic accuracy of the calculations performed by the Cash Manager in relation to the Asset Coverage Test on the APMR Calculation Date on the basis of and in accordance with the calculation in Schedule 2, with a view to confirmation of the arithmetical accuracy or otherwise of such calculations.

- 2.2 Subject to Clauses 2.3, 2.4 and 2.7, if the APMR Calculation Date preceding the Annual Submission Date falls after service of a Notice to Pay, and subject to receipt of the information to be provided to it by the Cash Manager in accordance with Clause 3 in relation to the calculations performed by the Cash Manager regarding the relevant Amortisation Test, the Asset Monitor shall as soon as reasonably practicable (and in any event not later than 10 London Business Days following receipt of such information from the Cash Manager), test the arithmetic accuracy of the calculations performed by the Cash Manager in relation to the Amortisation Test on the First Issue Date and on the APMR Calculation Date on the basis of and in accordance with the calculation in Schedule 2, with a view to confirmation of the arithmetical accuracy or otherwise of such calculations.
- 2.3 If and for so long as the long-term, unsecured, unguaranteed and unsubordinated debt obligation ratings of the Cash Manager or the Issuer (such ratings the **Deemed Ratings**) are below BBB by S&P, Baa3 by Moody's and BBB- by Fitch, or following the service of an Asset Coverage Test Breach Notice (which has not been revoked), and subject to receipt of the information to be provided to the Asset Monitor in accordance with Clause 3, the Asset Monitor shall conduct the tests of the Cash Manager's calculations referred to in Clauses 2.1 and 2.2, as applicable, in respect of every Calculation Date, as applicable, as soon as reasonably practicable and shall give confirmation of the results of such tests to the Cash Manager, the LLP, the Issuer, the Bond Trustee and the Security Trustee (and in any event not later than 10 London Business Days following receipt of the relevant information from the Cash Manager). If the Cash Manager and the Issuer each regains long-term, unsecured, unguaranteed and unsubordinated debt obligation ratings or, as applicable in the case of the Issuer, Deemed Ratings of at least BBB- by S&P, Baa3 by Moody's and BBB- by Fitch, the tests of the Cash Manager's calculations will be conducted by the Asset Monitor annually in accordance with Clauses 2.1 and 2.2, as applicable.
- 2.4 If the tests conducted by the Asset Monitor in accordance with Clauses 2.1, 2.2 and 2.3, as applicable, reveal errors in the relevant calculations performed by the Cash Manager such that:
- (a) the Asset Coverage Test or the Amortisation Test has been failed on the relevant Calculation Date (where the Cash Manager had recorded it as being satisfied); or
  - (b) the reported Adjusted Aggregate Loan Amount or the reported Amortisation Test Aggregate Loan Amount, as applicable, is mis-stated by the Cash Manager by an amount exceeding one per cent. of the Adjusted Aggregate Loan Amount or the Amortisation Test Aggregate Loan Amount, as applicable (as at the date of the relevant Asset Coverage Test or the relevant Amortisation Test), as calculated by the Asset Monitor based on the figures supplied by the Cash Manager, and subject to receipt of the information to be provided to the Asset Monitor in accordance with Clause 3, for a period of six months thereafter the Asset Monitor shall conduct the tests of the Cash Manager's calculations referred to in Clause 2.1 or, as applicable, Clause 2.2 in respect of every Calculation Date occurring during that six month period. The Asset Monitor shall perform those tests and shall give confirmation of the results of such tests to the Cash Manager, the LLP, the Issuer, the Bond Trustee and the Security Trustee as soon as reasonably practicable and in any event not later than 10 London Business Days following receipt of the relevant information from the Cash Manager.
- 2.5 Subject to receipt of information to be provided to it by the Cash Manager in accordance with Clause 3 in relation to the calculations performed by the Cash Manager, as soon as reasonably practicable (and

in any event before the expiry of the relevant 10 London Business Day period referred to in, as applicable, Clauses 2.1 to 2.4 (inclusive)), the Asset Monitor shall notify, on a confidential basis, the parties to this Agreement, in writing, of the relevant calculations performed by the Cash Manager and of the results of its tests of the arithmetical accuracy of the Cash Manager's calculations, attached to a copy of the relevant calculations performed by the Cash Manager. If the calculations performed by the Cash Manager are not arithmetically accurate, the written notification by the Asset Monitor shall notify on a confidential basis, the parties to this Agreement in writing of the discrepancies identified in the Asset Pool Monitor Report, a copy of which is required to be delivered pursuant to Clause 2.8.

- 2.6 Other than in relation to the testing by the Asset Monitor of the arithmetic accuracy of the calculations performed by the Cash Manager in accordance with the provisions of this Agreement, the Asset Monitor is entitled, subject to Clause 2.7, to assume that all information provided to the Asset Monitor in accordance with Clause 3.1 is true and correct and is complete and not misleading and is not required to conduct an audit or other similar examination in respect of or otherwise take steps to verify the accuracy or completeness of such information or of any sources from which such information has been extracted by the Cash Manager, save that the Asset Monitor will be required to advise the Cash Manager if it has not been provided with any of those figures referred to in Clause 3.1. Furthermore, the Asset Monitor shall not be required to confirm whether the information provided to it by the Cash Manager (i) has been accurately extracted from the sources identified therein or agrees with any underlying accounting or other information or (ii) is presented in compliance with any relevant accounting or other definitions as to its elements and composition.
- 2.7 As soon as reasonably practicable following receipt of information from the Cash Manager in accordance with Clause 3.1, the Asset Monitor shall check that information against the information contained in the latest Monthly Report prepared by the Servicer for any obvious errors or inconsistencies and, if it detects any such obvious errors or inconsistencies, shall notify the other parties to this Agreement of them. Following such notification, and within three London Business Days of receipt of such notification, the Cash Manager shall provide such further or amended information to the Asset Monitor as is necessary to remedy such obvious errors or inconsistencies or shall confirm the accuracy of the information provided in accordance with Clause 3.1. The 10 London Business Day period referred to in, as applicable, Clauses 2.1 to 2.4 (inclusive), shall commence on and from the date that the Asset Monitor has received such further or amended information from the Cash Manager.
- 2.8 On completion of its calculations and procedures in respect of a Calculation Date for the purposes of Clauses 2.1 and 2.2, and subsequent preparation of the Asset Pool Monitor Report, the Asset Monitor shall deliver (or procure to be delivered) a copy of the Asset Pool Monitor Report to the Cash Manager, the LLP, the Issuer, the Bond Trustee and the Security Trustee (in their respective capacities, collectively referred to in this Agreement as the Recipients). The Cash Manager undertakes to procure that the Asset Pool Monitor Report shall contain substantively the information contained in an Asset Monitor Report and shall in no event be prepared to a lesser or less substantive standard than an Asset Monitor Report.
- 2.9 Without prejudice to any obligations under the RCB Regulations, each Asset Pool Monitor Report and any advice the Asset Monitor provides to the Recipients in connection with this Agreement are for the exclusive use of the Recipients (in their respective capacities in which they contract as parties to this Agreement) in the context of the Programme and is provided subject to and in accordance with the terms of the Asset Monitor Agreement. Each Asset Pool Monitor Report and such advice should not be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any person other than the FCA (as competent authority under the RCB Regulations) and the parties to this Agreement, without the Asset Monitor's prior written express consent. The Recipients acknowledge that were they to do so (and without limitation) this could expose the Asset Monitor to a risk that a third party who otherwise would not have access to any such Asset Pool Monitor Reports or advice might claim to have relied upon such Asset Pool Monitor Report or advice

to its detriment and might bring or threaten to bring an action, claim or proceedings against the Asset Monitor. Save as expressly provided by this Agreement, no person other than the FCA (as competent authority under the RCB Regulations) or the Recipients may rely on the Asset Pool Monitor Report, or any advice and/or information derived from them. The Asset Monitor has no responsibility or liability to any other party (including, without limitation, any Dealer or Rating Agency) who is shown or gains access to any Asset Pool Monitor Report or advice.

- 2.10 Nothing in this Agreement precludes the Asset Monitor from taking such steps as are necessary in order to comply with any legal or regulatory requirement or any professional or ethical rules of any relevant professional body of which the Asset Monitor or any of its partners or employees is, at the time, a member.
- 2.11 The Asset Monitor has no responsibility to update any Asset Pool Monitor Report or advice for events occurring after its completion (which, unless provided otherwise in this Agreement, will be the date on which the final Asset Pool Monitor Report is delivered or signed), nor to monitor its continuing relevance or suitability for the purposes of any Recipient.
- 2.12 The Asset Monitor agrees to be appointed as asset pool monitor in accordance with the RCB Regulations and undertakes, in its capacity as Asset Pool Monitor, to comply with the RCB Regulations, the RCB Sourcebook and any guidance issued from time to time by the FCA in relation thereto.

### **3. PROVISION OF INFORMATION TO THE ASSET MONITOR**

- 3.1 In accordance with paragraph (l) of Schedule 1 to the Cash Management Agreement, the Cash Manager shall provide the Asset Monitor with (as applicable):
  - (a) the figures derived and used by the Cash Manager for items A, B, C, D, E, U, V, W, X, Y and Z described in Clause 11 (*Asset Coverage Test*) of the LLP Deed in its calculation of the Adjusted Aggregate Loan Amount on the relevant Calculation Date;
  - (b) the constituent figures used in the calculations of items A, U, V, W, X, Y and Z described in Clause 11 (*Asset Coverage Test*) of the LLP Deed in order to test the arithmetical accuracy of the figures used by the Cash Manager for items A, U, V, W, X, Y and Z provided in accordance with paragraph (a) above;
  - (c) the Sterling Equivalent of the Principal Amount Outstanding of the Covered Bonds as calculated by the Cash Manager on the relevant Calculation Date for the purposes of Clause 11 (*Asset Coverage Test*) of the LLP Deed.
  - (d) the figures derived and used by the Cash Manager for items A, B, C, Y and Z described in Clause 12 (*Amortisation Test*) of the LLP Deed in its calculation of the Amortisation Test Aggregate Loan Amount on the relevant Calculation Date;
  - (e) the constituent figures used in the calculation of items A, Y and Z described in Clause 12 (*Amortisation Test*) of the LLP Deed in order to test the arithmetical accuracy of the figures used by the Cash Manager for items A, Y and Z provided in accordance with paragraph (d) above; and
  - (f) the Sterling Equivalent of the Principal Amount Outstanding of the Covered Bonds as calculated by the Cash Manager on the relevant Calculation Date for the purposes of Clause 12 (*Amortisation Test*) of the LLP Deed.
- 3.2 The LLP shall procure that the Servicer provides each Monthly Report to the Asset Monitor on its publication.

- 3.3 The Asset Monitor may rely on any instructions, request or representation made, notices given or information supplied, whether orally or in writing, by any person known or reasonably believed by the Asset Monitor to be authorised from time to time by the LLP and/or the Cash Manager in connection with the provision by the LLP and/or the Cash Manager of information pursuant to the terms of this Agreement.
- 3.4 In the preparation of a final Asset Pool Monitor Report, the Asset Monitor may comment or provide advice to any Recipient on information provided to it by the Cash Manager or show the Recipients drafts of the Asset Pool Monitor Report for comment. The Asset Monitor does this on the basis that the Recipients will not rely on any drafts or oral comments or advice. Accordingly, the Asset Monitor will not be responsible if the Recipients choose to act, or refrain from acting, on the basis of any drafts or oral comments or advice. If the Recipients want to rely or want to act on oral comments, they will inform the Asset Monitor in order that it may deal with them in its final Asset Pool Monitor Report. Furthermore, for the convenience of the Recipients, the Asset Pool Monitor Reports, or any advice, may be made available to the Recipients in draft or in electronic as well as hard copy format. Multiple copies and versions of documents may therefore exist in different media. In the case of any discrepancy, the signed hard copy of the final Asset Pool Monitor Report is definitive.
- 3.5 The Asset Monitor will own and retain ownership of its working papers in respect of Asset Pool Monitor Reports and any advice. Any papers retained by the Asset Monitor on termination of this Agreement (including documents legally belonging to the Recipients) may routinely be destroyed in accordance with the Asset Monitor's internal policies.

#### **4. UNDERTAKINGS OF THE ASSET MONITOR**

Without prejudice to any of its specific obligations under this Agreement, the Asset Monitor undertakes with the LLP and the Security Trustee that it shall:

- (a) exercise reasonable skill and care in the performance of its obligations hereunder; and
- (b) comply with all material legal and regulatory requirements applicable to the conduct of its business so that it can lawfully attend to the performance of its obligations under this Agreement.

#### **5. TERMINATION**

- 5.1 The Asset Monitor may, at any time, resign from its appointment under this Agreement upon providing the LLP and the Security Trustee (copied to the Rating Agencies) with 30 days' prior written notice. The Asset Monitor may resign from its appointment immediately on written notice if any action taken by the Recipients causes a professional conflict of interest for the Asset Monitor under the rules of the professional and/or regulatory bodies regulating the activities of the Asset Monitor. The Asset Monitor will inform the Recipients as soon as reasonably practicable of any action of which the Asset Monitor is aware that may cause a professional conflict of interest for the Asset Monitor which could result in termination under this Clause 5.1.
- 5.2 Any costs, charges, fees or expenses incurred by the Asset Monitor as a result of its resignation under Clause 5.1 shall be payable in full by the Asset Monitor and will not be liable for reimbursement by the LLP save that the Asset Monitor shall remain entitled to payment for any costs, charges, fees or expenses payable to the Asset Monitor in accordance with this Agreement incurred or accruing prior to such resignation.

- 5.3 Following any receipt of any notice of resignation by the Asset Monitor in accordance with Clause 5.1, the LLP shall immediately use all reasonable endeavours to appoint a substitute asset monitor to provide the services set out in this Agreement, provided that:
- (a) the appointment of such substitute asset monitor is approved by the Security Trustee; and
  - (b) the substitute asset monitor enters into an agreement substantially on the same terms as the terms of this Agreement (or on such terms as are satisfactory to the Security Trustee).

If a substitute asset monitor is not appointed by the date which is 30 days prior to the date when tests are to be carried out in accordance with the terms of this Agreement, then the LLP shall use all reasonable endeavours to appoint an accountancy firm of national standing to carry out the relevant tests on a one-off basis, provided that such appointment is approved by the Security Trustee. Neither the Bond Trustee nor the Security Trustee will be obliged to act as Asset Monitor in any circumstances.

- 5.4 The LLP may, at any time but subject to the prior written consent of the Security Trustee, terminate the appointment of the Asset Monitor hereunder upon providing the Asset Monitor with 30 days' prior written notice, provided that such termination may not be effected unless and until a replacement approved by the Security Trustee has been found by the LLP (such replacement to be approved by the Security Trustee if the replacement is an accountancy firm of national standing) which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in this Agreement.
- 5.5 Any costs, charges, fees or expenses incurred (excluding value added tax unless such value added is irrecoverable from HM Revenue & Customs) by the Asset Monitor as a result of its appointment being terminated under Clause 5.4 (together with the Asset Monitor's rights under Clause 6 in relation to moneys owing to the Asset Monitor for the period up to and including the date of the termination of the Asset Monitor's appointment becoming effective) shall be payable in full by the LLP.
- 5.6 Unless otherwise terminated in accordance with Clauses 5.1 and 5.4, the Asset Monitor's appointment under this Agreement will terminate upon the earlier of the occurrence of an LLP Event of Default or the repayment in full of all amounts outstanding in relation to all Covered Bonds.
- 5.7 On and after termination or resignation of the appointment of the Asset Monitor under this Agreement pursuant to this Clause 5, all authority and power of the Asset Monitor under this Agreement shall be terminated and be of no further effect and the Asset Monitor shall not thereafter hold itself out as having power or authority as Asset Monitor pursuant to this Agreement.

## 6. FEES

- 6.1 The LLP shall (subject to Clauses 6.2 and 6.3) pay to the Asset Monitor for its services hereunder the following fees (the **Asset Monitor Fee**) (exclusive of any applicable amount in respect of VAT) in an amount equal to:
- (a) £62,000 plus reasonable expenses for producing each Asset Pool Monitor Report, or such other amount as may be agreed by the LLP and the Asset Monitor from time to time; and
  - (b) £5,000 for each time that the Asset Monitor is required to perform the tests in accordance with Clauses 2.3 and 2.4, or such other amount as may be agreed by the LLP and the Asset Monitor from time to time.

The Asset Monitor Fee shall be payable on an LLP Payment Date in accordance with Clause 6.2.

- 6.2 Notwithstanding Clause 6.1, the parties agree that the Asset Monitor Fee shall not become due for payment unless and until the LLP has received (in accordance with Clause 13) a duly completed invoice, addressed to the LLP and copied to the Issuer and the Cash Manager, at least 28 days prior to

the relevant LLP Payment Date, in which case the invoice shall be due and payable on that LLP Payment Date. In the event that the LLP fails to receive a duly completed invoice at least 28 days prior to the relevant LLP Payment Date, the Asset Monitor Fee shall become due and payable on the next LLP Payment Date.

- 6.3 Interest shall accrue on any amount due and payable to the Asset Monitor in respect of the Asset Monitor Fee in accordance with this Clause 6 from (but excluding) the relevant LLP Payment Date on which payment is due and payable (but remains unpaid in accordance with Clause 6.2) at the rate of 2 per cent. per annum above the Bank of England base rate.
- 6.4 For the avoidance of doubt, other than as specified herein, the Security Trustee will not be responsible for payment of fees, costs and expenses due to or incurred by the Asset Monitor pursuant to its appointment and performance of its duties hereunder.
- 6.5 The Asset Monitor hereby agrees that it shall not take any steps for the purpose of recovering any amounts payable to it under this Clause 6 (including, without limitation, by exercising any rights of set-off) or procuring the winding up, administration or liquidation of the LLP in respect of any of its liabilities whatsoever unless an LLP Acceleration Notice shall have been served.
- 6.6 The Asset Monitor agrees to be bound by the terms of the Priorities of Payment set out in the Cash Management Agreement and the Deed of Charge. Without prejudice to Clause 6.5, the Asset Monitor further agrees that, notwithstanding any other provision contained herein, it will not demand or receive payment of, or any distribution in respect of or on account of, any amounts payable by the LLP (or the Cash Manager on its behalf) or the Security Trustee, as applicable, to the Asset Monitor under the Asset Monitor Agreement, in cash or in kind, and will not apply any money or assets in discharge of any such amounts payable to it (whether by set off or by any other method), unless all amounts then due and payable by the LLP to all other creditors ranking higher in the relevant Priorities of Payments have been paid in full.
- 6.7 Without prejudice to Clause 6.6, whether in the liquidation of the LLP or of any other party to the Transaction Documents or otherwise, if any payment or distribution (or the proceeds of any enforcement of any security) is received by the Asset Monitor in respect of any amount payable by the LLP (or the Cash Manager on its behalf) or the Security Trustee, as applicable, to the Asset Monitor under this Agreement at a time when, by virtue of the provisions of this Agreement and the Cash Management Agreement and the Deed of Charge no payment or distribution should have been made, the amount so received shall be held by the Asset Monitor upon trust for the entity from which such payment was received and shall be returned to such entity forthwith upon receipt (whereupon the relevant payment or distribution shall be deemed not to have been made or received).
- 6.8 Without prejudice to Clause 6.5, the Asset Monitor shall not claim, rank, prove or vote as a creditor of the LLP or its estate in competition with any creditors ranking higher in the relevant Priorities of Payments, or claim a right of set-off until all amounts then due and payable to creditors who rank higher in the relevant Priorities of Payments have been paid in full.
- 6.9 Neither the LLP nor the Security Trustee shall pay or repay, or make any distribution in respect of, any amount owing to the Asset Monitor under this Agreement (in cash or in kind) unless and until all amounts then due and payable by the LLP or the Security Trustee to all other creditors ranking higher in the relevant Priorities of Payments have been paid in full.
- 6.10 The perpetuity period for the trusts in this Clause 6 shall be 80 years.

## **7. ASSIGNMENTS AND TRANSFERS**

- 7.1 This Agreement does not make any of the parties an agent or legal representative of any of the other parties, nor does it create a partnership or joint venture.
- 7.2 Subject to Clause 7.3 no party to this Agreement may assign, novate, transfer or sub-contract any of its rights or obligations under this Agreement other than with the prior written consent of the other parties to this Agreement, which consent may not be unreasonably withheld or delayed, and unless each of the Rating Agencies has confirmed that each such assignment, novation, transfer or subcontract will not adversely affect the then current ratings of the Covered Bonds. In addition, no party to this Agreement will either directly or indirectly agree to assign or transfer any claim against any other party to this Agreement arising out of this Agreement to any other party.
- 7.3 The parties hereto acknowledge and agree that the LLP is permitted to assign its rights hereunder to the Security Trustee pursuant to the Deed of Charge. The parties further acknowledge that the Asset Monitor may delegate the performance of its obligations under this Agreement to any other Asset Monitor Party, provided that it shall nevertheless remain responsible for the performance of those duties.

## **8. CONFIDENTIALITY**

- 8.1 Each party agrees to keep confidential all information of any kind whatsoever provided to it by any other party pursuant to this Agreement save for:
- (a) information (including Asset Pool Monitor Reports) that it is expressly authorised to provide to any other party, any Dealer or any Rating Agency under the terms of this Agreement;
  - (b) information that is public knowledge otherwise than as a result of the wrongful conduct of such party;
  - (c) information that such party is required to disclose pursuant to any English law or order of any English court or pursuant to any direction, request or requirement (whether or not having the force of law) of the Bank of England or any governmental or other regulatory or taxation authority in England (including, without limitation, any official bank examiners or regulators), the FCA or the London Stock Exchange;
  - (d) information that such party wishes to disclose to its professional indemnity insurers or advisers where such insurers or advisers receive the same under a duty of confidentiality;
  - (e) information that such party is required to disclose to the relevant authorities on a public interest disclosure basis or in order to comply with its statutory obligations relating to money laundering and the proceeds of crime;
  - (f) information disclosed to professional advisers of the such party or, if such party is the Asset Monitor, to any Asset Monitor Party to whom the Asset Monitor has delegated the performance of its duties under this Agreement, who, in each case, receives the same under a duty of confidentiality in substantially the same terms as this Clause 8; and
  - (g) information disclosed with the prior written consent of the other party.
- 8.2 The parties agree that the Asset Monitor shall not be required to disclose to any other party any information which is confidential to any other client of the Asset Monitor and any information received by the Asset Monitor other than by reason of, or in its capacity as, Asset Monitor pursuant to the terms of this Agreement.

8.3 The Asset Monitor agrees (subject to the Security granted pursuant to the Deed of Charge) that it shall have recourse only to sums paid to or received by (or on behalf of) the LLP from time to time.

## **9. PROVISION OF INFORMATION TO THE SECURITY TRUSTEE**

The Cash Manager, the LLP and the Asset Monitor shall each provide to the Security Trustee, or procure the provision to the Security Trustee of, such information and evidence available to that party, or of which that party is or becomes aware, in respect of any dealing between that relevant party or its officers, employees, attorneys or agents and the Issuer, the Cash Manager, the LLP and the Asset Monitor (as applicable) under or in relation to this Agreement as the Security Trustee may reasonably request (subject to client confidentiality requirements).

## **10. LIABILITY**

10.1 To the fullest extent permitted by law, the Asset Monitor shall not have liability hereunder to the extent that liability would (but for this Clause 10.1) be imposed upon the Asset Monitor by reason of it having relied upon any statement or information made or provided by any person (including information provided in accordance with Clause 3) which was untrue, inaccurate, incomplete or misleading, other than in respect of the activities that the Asset Monitor will conduct under Clause 2.7 and the arithmetical accuracy of the calculations performed by the Cash Manager in respect of the Asset Coverage Test and the Amortisation Test which the Asset Monitor has been appointed to test in accordance with the provisions of this Agreement.

10.2 To the fullest extent permitted by law, the Asset Monitor shall not be liable or responsible to any other party hereto for any loss, cost, damage or expense which results from the fraud of any other party or a breach by any of the other parties hereto of any provision of any Transaction Document and the Issuer agrees to indemnify the Asset Monitor for any liability (including all liabilities in respect of all proceedings, claims, demands, losses, damages, costs and expenses relating to the same) which becomes payable or which is incurred by the Asset Monitor in respect of a breach by any of the other parties hereto of any provision of any Transaction Document.

10.3 The Asset Monitor agrees that any and all claims that it may have under or pursuant to this Agreement (including, without limitation, by exercising any rights of set-off) (other than any amounts which are due under Clause 6) may be made solely against the Issuer under the terms of Clause 10.2 and may not be made against any other person including without limitation any of the other parties hereto or any parent, subsidiary, affiliate or holding company of the Issuer.

10.4 The aggregate liability of the Asset Monitor to the other parties to this Agreement in contract or tort or under statute or otherwise for any loss or damage (including loss of profits) suffered by the other parties to this Agreement arising from or in connection with the performance by the Asset Monitor of its obligations under this Agreement, however such loss or damage is caused, including the negligence but not the fraud or other deliberate breach of duty of the Asset Monitor, shall be limited to £250,000.

10.5 The aggregate liability of the Asset Monitor to the other parties to this Agreement pursuant to Clause 10.4 shall be allocated between the parties to this Agreement. It is agreed that such allocation will be entirely a matter for such other parties, who shall be under no obligation to inform the Asset Monitor of it, provided always that if (for whatever reason) no such allocation is agreed, no party shall dispute the validity, enforceability or operation of the limit of liability set out in Clause 10.4 on the grounds that no such allocation was agreed.

10.6 The liability of the Asset Monitor to the other parties to this Agreement in contract or tort or under statute or otherwise for any indirect or consequential economic loss or damage (including loss of profits) suffered by the other parties to this Agreement arising from or in connection with the performance by the Asset Monitor of its obligations under this Agreement, however such loss or



damage is caused, including the negligence but not the fraud or other deliberate breach of duty of the Asset Monitor, shall be excluded.

- 10.7 The performance of the services of Asset Monitor are the responsibility of the Asset Monitor alone. Consequently, notwithstanding the fact that duties of the Asset Monitor under this Agreement may be carried out by personnel provided to the Asset Monitor from other Asset Monitor Parties through service or other agreements, the Recipients agree that none of the Asset Monitor Parties (except the Asset Monitor) will have any liability to the Recipients and no party to this Agreement shall bring any claim or proceedings of any nature (whether in contract, tort, breach of statutory duty or otherwise and including, but not limited to, a claim for negligence) in any way in respect of or in connection with this Agreement against any of the Asset Monitor Parties other than the Asset Monitor or any sub-contractors that the Asset Monitor may use to provide the Services in respect of loss or damage suffered by such party to this Agreement arising out of or in connection with the performance by the Asset Monitor of its obligations under this Agreement. This restriction shall not operate to exclude or limit the liability of the Asset Monitor, where such liability would otherwise exist, for the acts and omissions of any of its officers, employees, attorneys or agents.
- 10.8 Any clauses in this Agreement which operate or which may operate to exclude or limit the liability of the Asset Monitor or any other person in any respects shall not operate to exclude or limit any liability which cannot lawfully be excluded or limited.
- 10.9 The Asset Monitor will not be liable for any losses arising out of the use by the Recipients of any Asset Pool Monitor Report for a purpose other than the purposes of the Programme.

## 11. DATA PROTECTION

11.1 In this Clause 11:

- (a) **Data Protection Laws** means the Regulation (EU) 2016/679 as it forms part of U.K. domestic law by virtue of the EUWA, the Data Protection Act 2018 and any other applicable law in any relevant jurisdiction that applies to the processing of data relating to living persons, in each case as amended or replaced from time to time;
- (b) **Relevant Personal Data** means Personal Data provided or made available to the Asset Monitor for the purpose of providing the Services, performing its obligations or exercising its rights arising under or in connection with this Agreement;
- (c) **Personal Data Breach** means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to Relevant Personal Data transmitted, stored or otherwise processed; and
- (d) the terms **Data Controller**, **Data Processor**, **Data Subject**, **Personal Data**, and processing shall each have the meanings set out in the Data Protection Laws.

11.2 The parties agree that:

- (a) each of the Cash Manager and the LLP will be a Data Controller of the Personal Data of the Borrowers that is processed in accordance with this Agreement;
- (b) the Asset Monitor may process the Personal Data of representatives of each of the other parties to this Agreement as a Data Controller for the purpose of, or in connection with: (i) applicable legal, professional or regulatory requirements; (ii) requests and communications from competent authorities; and (iii) administrative, financial accounting and risk analysis in connection with this Agreement; and

- (c) the Asset Monitor may be required to process certain Personal Data of the Borrowers as a Data Processor on behalf of the LLP or the Cash Manager in the performance of its obligations under this Agreement.
- 11.3 The Asset Monitor, Cash Manager and the LLP shall each, and the Asset Monitor shall make all reasonable efforts to ensure that, in the event of the appointment of a subcontractor, such subcontractor shall, abide by the Data Protection Laws in connection with this Agreement and each of the Asset Monitor, the Cash Manager or the LLP shall remain liable for the acts and omission of any such of its subprocessor with respect to the processing of Relevant Personal Data.
- 11.4 Each of the Asset Monitor, the Cash Manager and the LLP shall comply with its own obligations under the Data Protection Laws in respect of personal data processed by it or its subcontractors in connection with the Agreement.
- 11.5 Each of the Asset Monitor, Cash Manager and the LLP shall:
- (a) upon becoming aware of any Personal Data Breach:
    - (i) notify the LLP, Cash Manager or Asset Monitor (as applicable) as soon as reasonably practicable and provide the LLP, Cash Manager or Asset Monitor (as applicable) with a reasonable description of the Personal Data Breach (including the facts surrounding it and the type of data that was the subject of the Personal Data Breach) promptly upon such information becoming available;
    - (ii) promptly take adequate remedial measures, if appropriate;
    - (iii) work together with the LLP or Asset Monitor (as applicable), acting reasonably and in good faith, to mitigate any adverse effects of any such breach on the LLP's, Cash Manager's or Asset Monitor's business (as applicable) and the affected Data Subjects;
    - (iv) not release or publish any filing, communication, notice, press release or report concerning the breach without first consulting the other party with regards to the content of that notice and giving due regard to the LLP's, Cash Manager's or Asset Monitor's reasonable comments (as applicable), save that it may disclose a Personal Data Breach to the extent required by applicable law; and
    - (v) bear all its own costs and expenses incurred as a result of any actions and steps undertaken in accordance with this Clause 11.5(a);
  - (b) to the extent permitted by law, if it receives any complaint, notice or communication from a supervisory authority which relates directly or indirectly to the LLP's, Cash Manager's or the Asset Monitor's (as relevant): (1) processing of the Relevant Personal Data; or (2) an actual or potential failure by either the LLP, the Cash Manager or the Asset Monitor to comply with Data Protection Laws, promptly forward the complaint, notice or communication to the other and provide the other with reasonable co-operation and assistance in relation to the same;
  - (c) if, in relation to Relevant Personal Data, a Data Subject makes a written request to the LLP, the Cash Manager or the Asset Monitor to exercise his or her rights of access, rectification or erasure, to restrict or object to processing of Relevant Personal Data or to data portability: (1) forward the request to the other promptly and in any event within five Business Days of the date of receipt of the request; and (2) respond promptly to such request, acting on behalf of the other where necessary, and meet applicable deadlines under the Data Protection Laws; and
  - (d) taking into account the nature, scope, context and purpose of processing, implement and maintain appropriate technical and organisational security measures against accidental or

unlawful destruction, loss, alteration, unauthorised disclosure of or unauthorised access to Relevant Personal Data.

- 11.6 Without prejudice to Clause 11.2, to the extent the Asset Monitor acts as a Data Processor for the LLP or the Cash Manager in relation to Loans in the Portfolio, the Asset Monitor shall:
- (a) process Relevant Personal Data only on the documented instructions of the LLP or the Cash Manager and, in particular, not process Relevant Personal Data other than for the purpose of providing the Services, performing its obligations or exercising its rights arising under or in connection with this Agreement;
  - (b) inform the LLP or the Cash Manager if, in the Asset Monitor's opinion, the LLP's or the Cash Manager's instructions would breach Data Protection Laws;
  - (c) before disclosing any Relevant Personal Data to any of its personnel who are authorised to process the Relevant Personal Data for the purposes of this Agreement, ensure that the relevant personnel have committed themselves to confidentiality in accordance with Clause 7 (Assignments and Transfers);
  - (d) without prejudice to Clauses 7.2 and 11.3, before disclosing any Relevant Personal Data to any subcontractor in circumstances where that subcontractor will process that Relevant Personal Data, enter into a contract with that subcontractor under which the subcontractor agrees to comply with obligations no less onerous to those set out in this Clause 11.6, in particular and where required by Data Protection Laws providing sufficient guarantees to implement appropriate technical and organisational security measures in such a manner that the processing will meet the requirements of Regulation (EU) 2016/679 as it forms part of U.K. domestic law by virtue of the EUWA;
  - (e) not process in, or transfer the Relevant Personal Data to, a country or territory outside the European Economic Area without the prior written consent of the Cash Manager and the LLP unless (and for so long as):
    - (i) there has been a European Community finding of adequacy pursuant to Article 45 of Regulation 2016/679 in respect of that country or territory;
    - (ii) the transfer is to the United States to an importing entity that is a certified member of the EU-US Privacy Shield;
    - (iii) the LLP, the Cash Manager and the relevant importing entity are party to a contract in relation to the export of Relevant Personal Data incorporating standard contractual clauses in the form adopted by the European Commission under Decision 2010/87/EU; or
    - (iv) binding corporate rules;
  - (f) comply with its obligations under Clause 11.5; and
  - (g) assist the LLP or the Cash Manager with undertaking an assessment of the impact of processing of Relevant Personal Data, and with any consultations with a supervisory authority, if and to the extent an assessment or consultation is required to be carried out under Data Protection Laws;
  - (h) upon the LLP's or the Cash Manager's reasonable written request, make available to the LLP or the Cash Manager all information necessary to demonstrate compliance with its obligations under this Clause 11.6 and permit the LLP or the Cash Manager, or a representative of the

LLP, to inspect and audit the Asset Monitor's processing activities (and/or those of its agents, subsidiaries and sub-contractors) and comply with all reasonable requests or directions of the LLP or the Cash Manager regarding this Clause 11.6 and ensure that any copies of Relevant Personal Data in the possession or under the control of the Asset Monitor are destroyed or returned to the LLP or the Cash Manager (at the LLP's or the Cash Manager's option) when they are no longer required for the purpose of providing the Services, performing its obligations or exercising its rights arising under or in connection with this Agreement, provided that the Asset Monitor shall be entitled to retain copies of any Relevant Personal Data if required to do so by EU or UK Law.

- 11.7 The LLP and the Cash Manager agrees that they shall ensure that they comply at all times with the Data Protection Laws, and, in particular, the LLP and the Cash Manager shall ensure that any disclosure of Personal Data made by them to the Asset Monitor is made with the Data Subject's consent or is otherwise lawful.

## 12. FURTHER PROVISIONS

- 12.1 Except as specified herein the respective rights of the parties under this Agreement are cumulative, and may be exercised as often as they consider appropriate and are in addition to their respective rights under the general law. The respective rights of the LLP, the Security Trustee and the Asset Monitor in relation to this Agreement (whether arising under this Agreement or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing. In particular, any failure to exercise or any delay in exercising of any such rights shall not operate as a waiver or variation of that or any other such right; any defective or partial exercise of any of such rights shall not preclude any other or further exercise of that or any other such right. No act or course of conduct or negotiation on their part or on their behalf shall in any way preclude them from exercising any such right or constitute a suspension or any variation of any such right.
- 12.2 If any of the provisions of this Agreement become invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

## 13. NOTICES

- 13.1 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 received by the recipient or (where delivered by hand) on the day of delivery if delivered before 17.00 hours on a London Business Day or on the next London Business Day if delivered thereafter or on a day which is not a London 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 LLP, to Abbey Covered Bonds LLP, c/o Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (with a copy via email to: [MTF@santander.co.uk](mailto:MTF@santander.co.uk) and [treasurylegal@santander.co.uk](mailto:treasurylegal@santander.co.uk)) for the attention of Medium Term Funding and Treasury Legal;
  - (b) in the case of the Asset Monitor, to Deloitte LLP, 2 New Street Square, London EC4A 3BZ for the attention of Chief Operating Officer;
  - (c) in the case of the Cash Manager, to Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (with a copy via email to: [MTF@santander.co.uk](mailto:MTF@santander.co.uk) and [treasurylegal@santander.co.uk](mailto:treasurylegal@santander.co.uk)) for the attention of Medium Term Funding and Treasury Legal;

- (d) in the case of the Issuer to Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN (with a copy via email to: [MTF@santander.co.uk](mailto:MTF@santander.co.uk) and [treasurylegal@santander.co.uk](mailto:treasurylegal@santander.co.uk)) for the attention of Medium Term Funding and Treasury Legal;
- (e) in the case of the Security Trustee and the Bond Trustee, to Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB for the attention of the Managing Director, 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 13.

13.2 Notwithstanding Clause 13.1 and provided that each give their prior consent to such delivery, any party to this Agreement may send notice to or otherwise communicate with any of the other parties to this Agreement by electronic mail. However, the electronic transmission of information cannot be guaranteed to be secure or virus or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Each of the parties to this Agreement shall be deemed: (i) to have received any electronic mail sent by the any other party to this Agreement pursuant to the terms of this Clause 13.2 subject to the risks (including the security risks of interception, unauthorised access, corruption or viruses) of communications via electronic mail and (ii) to have performed reasonable virus checks required in connection with the receipt of electronic mail. Each party to this Agreement shall be responsible for protecting its own systems and interests in relation to electronic communications and each party to this Agreement (in each case including their respective directors, partners, employees, agents or servants) shall have no liability to each other on any basis, whether in contract, tort (including negligence) or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between such parties and any party's reliance on such information. The exclusion of liability in the previous clause shall not apply to the extent that any liability arises out of acts, omissions or misrepresentations which are in any case criminal, dishonest or fraudulent on the part of their respective directors, partners, employees, agents or servants.

#### **14. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

#### **15. THE SECURITY TRUSTEE AND THE BOND TRUSTEE**

15.1 If there is any change in the identity of the Security Trustee or the Bond Trustee in accordance with the Deed of Charge or the Trust Deed (as applicable), the parties to this Agreement shall execute such documents and take such action as the successor Security Trustee or, as applicable, Bond Trustee and the outgoing Security Trustee or, as applicable, Bond Trustee may reasonably require for the purpose of vesting in the successor Security Trustee or, as applicable, Bond Trustee the rights and obligations of the outgoing Security Trustee or, as applicable, Bond Trustee under this Agreement and releasing the outgoing Security Trustee or, as applicable, Bond Trustee from any future obligations under this Agreement. The LLP shall indemnify the Asset Monitor for all reasonable costs incurred by the Asset Monitor in relation to such change.

15.2 Each of the Security Trustee and the Bond Trustee has agreed to become a party to this Agreement for the better preservation and enforcement of its rights under this Agreement but shall not assume any obligations or liabilities to the Issuer, the Cash Manager, the Asset Monitor or the LLP hereunder. Any liberty or right which may be exercised or any determination which may be made under this Agreement by the Security Trustee or, as applicable, Bond Trustee may be exercised or made in the Security Trustee's absolute discretion without any obligation to give reasons therefor and the Security Trustee

shall not be responsible for any liability occasioned by so acting but subject always to the terms of the Deed of Charge and the Trust Deed.

**16. MODIFICATION**

No amendment, modification or variation of this Agreement shall be effective unless it is in writing and signed by (or by some person duly authorised by) each of the parties hereto and each of the Rating Agencies has confirmed that such amendment, modification or variation will not adversely affect the then current ratings of the Covered Bonds.

**17. 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, other than as provided in Clause 10 or Clause 13.2, but without prejudice to the rights of the Security Trustee as assignee under the Deed of Charge.

**18. CONTINUING PROVISIONS**

Clauses 5.2, 5.5, 6, 8, 10, 17, 19 and 21 of this Agreement shall survive the expiry or termination of this Agreement.

**19. ENTIRE AGREEMENT**

This Agreement contains the entire agreement between the parties hereto in relation to the services to be performed hereunder and supersedes any prior agreements, understandings, arrangements, statements or representations relating to such services. Nothing in this Clause 19 or Agreement shall operate to limit or exclude any liability for fraud.

**20. GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

**21. SUBMISSION TO JURISDICTION**

Each party to this Agreement hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Agreement, 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 on the day and year first before written.

**SCHEDULE 1**  
**THE LLP DEED**

## SCHEDULE 2

### CALCULATIONS AND PROCEDURES

#### 1. Asset Coverage Test

The Asset Monitor test of arithmetical accuracy of the Asset Coverage Test will comprise the following steps:

(a) Ensure that the Cash Manager has provided, in accordance with Clause 3.1 of the Asset Monitor Agreement:

(i) figures A, B, C, D, E, U, V, W, X, Y and Z described in the Asset Coverage Test; the constituent figures used in the calculations of items A, U, V, W, X and Z.

Specifically, for each Loan:

(A) outstanding principal balance

(B) latest valuation

(C) Reference indexed valuation

(D) whether Loan is 3 months or more in arrears

(ii) a value for:

(A) Asset Percentage

(B) any "deemed" reductions as specified in the details after "minus"

(C) confirmation of whether the ratings of Abbey are above or below the given threshold

(iii) the Sterling Equivalent of the Principal Amount Outstanding of the Covered Bonds as calculated by the Cash Manager on the relevant Calculation Date.

(iv) a nil balance where applicable.

(b) For A:

(i) determine the lower of A (a) (1) and A (a) (2)

(ii) determine the lower of A (b) (1) and A (b) (2). Multiply the result by the Asset Percentage which is provided by the Cash Manager.

(iii) determine the lower of the 2 results above to give A.

(c) For W:

(i) multiply the Flexible Draw Capacity provided by the Cash Manager by 4%.

(d) For X:

(i) multiply the Flexible Draw Capacity provided by the Cash Manager by 8%



- (ii) multiply the result by 3 to give X.
- (e) For Z:
  - (i) multiply the weighted average remaining maturity of all Covered Bonds then outstanding by the Sterling Equivalent of the Principal Amount Outstanding of the Covered Bonds both figures as calculated by the Cash Manager on the relevant Calculation Date.
  - (ii) multiply the result by the Negative Carry Factor to give Z.
- (f) Re-perform the calculation  $A + B + C + D + E - (U + V + W + X + Y + Z)$
- (g) Compare this calculation to that provided by the Cash Manager.
- (h) Complete the Asset Pool Monitor Report.

## 2. Amortisation Test

The Asset Monitor test of arithmetical accuracy of the Amortisation Test will comprise the following steps:

- (a) Ensure that the Cash Manager has provided, in accordance with Clause 3.1 of the Asset Monitor Agreement:
  - (i) figures A, B, C, Y and Z as described in the Amortisation Test;
  - (ii) the constituent figures used in the calculations of items A, B, Y and Z. Specifically, for each Loan:
    - (A) outstanding principal balance
    - (B) latest valuation
    - (C) Reference indexed valuation
    - (D) whether Loan is 3 months or more in arrears • the Sterling Equivalent of the Principal Amount Outstanding of the Covered Bonds as calculated by the Cash Manager on the relevant Calculation Date.
  - (iii) a nil balance where applicable.
- (b) For A:
  - (i) determine the lower of A(a) and A(b).
- (c) For B:
  - (i) sum the amount of any cash standing to the credit of the GIC Account and the principal amount of any Authorised Investments.
- (d) For Z:
  - (i) multiply the weighted average remaining maturity of all Covered Bonds then outstanding by the Sterling Equivalent of the Principal Amount Outstanding of the

Covered Bonds both figures as calculated by the Cash Manager on the relevant Calculation Date.

- (ii) multiply the result by the Negative Carry Factor to give Z.
- (e) Re-perform the calculation  $A + B + C - Y - Z$
- (f) Compare this calculation to that provided by the Cash Manager.
- (g) Complete the Asset Pool Monitor Report.

## SCHEDULE 3

### FORM OF ASSET POOL MONITOR REPORT

#### The Members

##### Abbey Covered Bonds LLP

Abbey National House  
2 Triton Square  
London  
NW1 3AN  
(the "LLP")

#### The Directors

##### Santander UK plc

2 Triton Square  
Regent's Place  
London  
NW1 3AN  
(the "Issuer")

Deutsche Trustee Company Limited  
Winchester House  
1 Great Winchester Street  
London  
EC2N 2DB  
(the "Security Trustee" and "Bond Trustee")

[date]

Dear Sirs

**AGREED UPON PROCEDURES CARRIED OUT BY THE ASSET POOL MONITOR APPOINTED TO THE €35 BILLION GLOBAL COVERED BOND PROGRAMME (the "Programme") OF SANTANDER UK PLC AND GUARANTEED BY ABBEY COVERED BONDS LLP AND SANTANDER UK PLC**

#### Report of Factual Findings

We have performed the following procedures as agreed by the LLP and the Issuer in accordance with our engagement letter dated [date] (the "Engagement Letter"), a copy of which is attached as Appendix i and the Asset Monitor Agreement dated 3 June 2005 as amended and restated on 24 December 2012 and 25 June 2014 and as further amended (together, the "Asset Monitor Agreement"). The procedures were performed solely for the purpose of performing certain agreed upon procedures on certain loans in the loan pool (the "Loan Pool") in order to assist you in your confirmation of your compliance with regulations 16 & 17 of the Regulated Covered Bonds Regulations 2008 as amended by the Regulated Covered Bonds (Amendment) Regulations 2011 and the Regulated Covered Bonds (Amendment) Regulations 2012 (together, the "Regulations") governed by The Financial Conduct Authority (the "FCA").

This report is addressed to the Security Trustee, the Bond Trustee, the LLP and the Issuer.

References in this report to "you" or "your" are references to the Issuer and/or LLP as applicable.

The procedures performed were as defined in Appendix 2 of the Engagement Letter (the "Agreed upon Procedures"). The Agreed upon Procedures comprise:

1. AGREED UPON PROCEDURES ON CERTAIN RESIDENTIAL MORTGAGES HELD BY THE LLP UNDER THE PROGRAMME (THE "STATISTICAL AUPS"); AND
2. AGREED UPON PROCEDURES ON THE PROCESSES AND PROCEDURES PERFORMED BY THE ISSUER IN RESPECT OF THE PROGRAMME (THE "PROGRAMME AUPS").

#### 1. Statistical AUPS

Regulation 17(2)(a) - *A record is kept for each asset in the asset pool.*

The Issuer provided us with a data file '[name.xlsx]' (the "First Pool Run") containing [number] pseudonymised loan identifiers for each loan in the Loan Pool as at [cut-off date] (the "Cut-off Date"). A random sample of [number in sample] loans was selected from the First Pool Run (the "Sample") based on the pseudonymised loan identifiers, returning to the Issuer the Sample containing the Deloitte reference and pseudonymised loan identifiers. A file containing the look up of the encrypted information to the account number (the "Look-Up file") was

provided to us by the Issuer on-site. The Issuer undertakes to retain the Look-Up for the period in accordance with clause 6.6 of the Engagement Letter.

The Issuer then provided us with the data file '[name.xlsx]' (the "Sample Pool") which contained the Deloitte reference, pseudonymised loan identifiers and other information on each loan in the Sample as at the Cut-off Date.

We have compared the total number and value of loans included in the First Pool Run to the Programme's investor report for the same period, published by the Issuer (the "Investor Report") and found the following:

|                 | Number |
|-----------------|--------|
| First Pool Run  | [x]    |
| Investor Report | [x]    |

We have carried out the Statistical AUPs on the Sample Pool during the period [dates] using the following sampling approach.

**The sampling approach**

Sampling confidence is the probability that the actual errors, within a total population, are contained within the range of an estimate. Precision is the range of that estimate. The precision limit is the estimated maximum predicted number of errors within the total population. Sampling confidence and precision are stated in percentages.

Attribute sampling is a method of assessing the rate of occurrences of a specified attribute in a population and requires agreed upon procedures in relation to certain characteristics of a random sample of individual loans. In this case the Statistical AUPs related to the documentation and authorisation procedures that support the Sample Pool contained in the First Pool Run.

Our method of calculating attribute sample sizes is based on the binomial probability distribution.

Statistical tests can only provide estimates of the error.

The procedures we have undertaken, set out below, has been limited to confirming that the selected attribute from the First Pool Run information relating to the Sample Pool agreed to the original loan documentation or copies thereof provided to us in the loan file. We are entitled to assume that the loan documentation is correct and we have not sought to independently verify this information. The loan documentation used in the Statistical AUPs was the latest mortgage offer letter, product variation documentation, Certificate of Title or Report on Title ("COT/ROT"), application form, valuation report, land registry, completion statement, solicitor's confirmation letter, income confirmation, credit score/external credit assessment, the ANMF System (the "System"), the data file '[name.xlsx]' (the "Credit Score Extract"), the data file '[name.xlsx]' (the "Employment Status Extract") and screenshots from the ANMF system (the "Covered Bond flag Extract").

**Objectives**

The sample sizes chosen were designed with the objective of us being able to state that we are 99% confident that not more than 1% of the population of the First Pool Run contained an error in the relevant attribute. Where errors were found in the Sample Pool, we have re-calculated the percentage errors that there might be in the whole population and noted the revised percentage below. It is for you to ensure you understand this basis of reporting and to determine whether the errors are acceptable to you and for the purpose set out in the first paragraph of this report.

For each loan in the Sample Pool we carried out the following Statistical AUPs and have given a confidence and precision percentage for each procedure.

For the purposes of this report, the failure of a single attribute is termed an error.

The following results are also attached as Appendix ii to this Asset Pool Monitor Report in the template form requested by the FCA.

**2.1. Borrower Name(s)**

For each loan in the Sample Pool, we confirmed whether the borrower name(s) shown on the System substantially agreed to the latest mortgage offer letter or COT/ROT. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the borrower name(s) shown on the Look-Up file substantially agreed to the System. Substantially agreed is defined as being able to identify the borrower name(s) where minor spelling errors or reversals of initials had occurred. We found that the borrower name(s) substantially agreed to the relevant document or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

## 2.2. Address

- 2.2.1. For each loan in the Sample Pool, we confirmed whether the property address shown on the System was within England, Scotland, Wales or Northern Ireland. We found that the property address was within England, Scotland, Wales or Northern Ireland, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

- 2.2.2. For each loan in the Sample Pool, we confirmed whether the property address shown on the System substantially agreed to the latest mortgage offer letter, COT/ROT, land registry, valuation report or solicitor's confirmation letter (for new builds). Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the property address shown on the Look-Up file substantially agreed to the System. Substantially agreed is defined as being able to identify the address where minor spelling errors have occurred. We found that the property address substantially agreed to the relevant document or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

## 2.3. Term

For each loan in the Sample Pool, we confirmed whether the term of the loan, defined as the difference between the completion date and current maturity date shown on the System, agreed to the latest mortgage offer letter or product variation documentation. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the term of the loan shown on the Sample Pool agreed to the System. We found that the term of the loan agreed to the above documents or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

## 2.4. Amount Advanced

For each loan in the Sample Pool, we confirmed whether the amount advanced shown on the System agreed, to within 0.5%, of that shown on the latest mortgage offer letter. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the amount advanced shown on the Sample Pool agreed to the System. We found that the amount advanced agreed to within 0.5% of that shown on the latest mortgage offer letter or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

## 2.5. Current Balance

For each loan in the Sample Pool, we confirmed whether the current balance shown on the Sample Pool agreed, to within 0.5%, of the current balance shown on the System as at the Cut-off Date. We found that the current balance agreed to within 0.5% of the current balance shown on the System as at the Cut-off Date, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

## 2.6. Completion Date

- 2.6.1. For each loan in the Sample Pool, we confirmed whether the completion date shown on the System agreed, to within +/- 1 month, of the date shown on the COT/ROT or completion statement. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the completion date shown on the Sample Pool agreed to the System. We found that the completion date agreed to within +/- 1 month of the date shown on the COT/ROT or completion statement or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

## 2.7. Valuation Amount

- 2.7.1. For each loan in the Sample Pool, we confirmed whether the valuation amount shown on the System agreed to the valuation report. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the valuation amount shown on the Sample Pool agreed to the valuation report or the System. We found that the valuation amount agreed to the documents or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

## 2.8. Valuation Date

- 2.8.1. For each loan in the Sample Pool, we confirmed whether the valuation date shown on the System agreed, to within +/- 1 month of the date shown on the valuation report. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the valuation date shown on the Sample Pool agreed to the System. We found that the valuation date agreed to within +/- 1 month of the date shown on the valuation report or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

- 2.8.2. For each loan in the Sample Pool where no further valuations had been carried out, we confirmed whether the valuation date shown on the valuation report was within 12 months of the mortgage completion date. We found that the valuation date was within 12 months of the mortgage completion date, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

## 2.9. Document Signatories

- 2.9.1. We did not confirm whether the latest mortgage offer letter was signed as this was not required in accordance with the Issuer's underwriting policy.

- 2.9.2. For each loan in the Sample Pool, we confirmed whether the COT/ROT was signed in the space designated for the solicitor, in accordance with the Issuer's documentation retention policy. We found that the COT/ROT was signed in the space designated for the solicitor, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

- 2.9.3. For each loan in the Sample Pool, we confirmed whether the application form was signed in the space designated for the borrower(s), in accordance with the Issuer's documentation underwriting policy. Where the application form was not signed, we confirmed whether the System identified the application as a broker case. We found that the application form was signed in the space designated for the borrower(s), [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

- 2.9.4. For each loan in the Sample Pool, we confirmed whether the valuation report was signed in the space designated for the surveyor, in accordance with the Issuer's documentation retention policy. We found that the valuation report was signed in the space designated for the surveyor, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

## 2.10. Arrears Balance

For each loan in the Sample Pool, we confirmed whether the arrears balance shown on the Sample Pool agreed to, within 0.1% of, the arrears balance shown on the System as at the Cut-off Date. We found that the arrears balance agreed to within 0.1% of the arrears balance shown on the System as at the Cut-off Date, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.11. Income Verification

For each loan in the Sample Pool, we confirmed whether, where required in accordance with the Issuer's documentation underwriting policy, there was evidence on the loan file that income confirmation had been obtained. Evidence is defined as a copy of a P60, employer's reference, bank statements, payslips, accountant certificate or financial statements. We found that there was evidence of income confirmation on the loan file, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.12. Property Tenure

For each loan in the Sample Pool, we confirmed whether the property tenure shown on the System agreed to the valuation report or land registry. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the property tenure shown on the Sample Pool agreed to the System. We found that the property tenure agreed to the above documents or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.13. Maturity Date

For each loan in the Sample Pool, we confirmed whether the loan maturity date shown on the System agreed to, within +/-1 month of, that shown on the latest mortgage offer letter or product variation documentation. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the loan maturity date shown on the Sample Pool agreed to the System. We found that the maturity date of the loan agreed to within +/-1 month of that shown on the above documents or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.14. Repayment Type

For each loan in the Sample Pool, we confirmed whether the repayment type shown on the System agreed with that shown on the latest mortgage offer letter or product variation documentation. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the repayment type shown on the Sample Pool agreed to the System. We found the repayment type agreed to the above documents or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.15. Employment Status

For each loan in the Sample Pool, we confirmed whether the employment status for all borrower(s) shown on the System or the Employment Status Extract agreed to the application form. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the employment status shown on the Sample Pool agreed to the System or the Employment Status Extract. We found that the employment status agreed to the application form, the System or the Employment Status Extract, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.16. Covered Bond Flag

For each loan in the Sample Pool, we confirmed whether the loan is flagged or has been identified as being used solely for the purpose of the covered bond pool within the System or the Covered Bond flag Extract. We found that the loan was flagged or has been identified as being used solely for the purpose of the covered bond pool within the System or the Covered Bond flag Extract, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.17. Interest Rate

- 2.17.1. For each loan in the Sample Pool, we confirmed whether the interest rate shown on the System agreed with the latest mortgage offer letter. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the interest rate shown on the Sample Pool agreed to the System. We found that the interest rate agreed with the latest mortgage offer letter or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

- 2.17.2. For each loan in the Sample Pool, we confirmed whether the interest rate type shown on the System agreed with the latest mortgage offer letter. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the interest rate type shown on the Sample Pool agreed to the System. We found that the interest rate type agreed with the latest mortgage offer letter or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

- 2.17.3. For each loan in the Sample Pool, we confirmed whether the interest rate index shown on the System agreed with the latest mortgage offer letter. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the interest rate index shown on the Sample Pool agreed to the System. We found that the interest rate index agreed with the latest mortgage offer letter or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

- 2.17.4. For each loan in the Sample Pool, we confirmed whether the interest rate margin shown on the System agreed with the latest mortgage offer letter. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the interest rate margin shown on the Sample Pool agreed to the System. We found that the interest rate margin agreed with the latest mortgage offer letter or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.18. Revisionary Date

For each loan in the Sample Pool, we confirmed whether the revisionary date shown on the System agreed with the latest mortgage offer letter. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the revisionary date shown on the Sample Pool agreed to the System. We found that the revisionary date agreed with the latest mortgage offer letter or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.19. Year of Birth

For each loan in the Sample Pool, we confirmed whether the borrower(s) year of birth shown on the System agreed to the application form. Where documents were not available in accordance with the Issuer's documentation retention policy, we confirmed whether the borrower(s) year of birth shown on the Sample Pool agreed to the System. We found that the borrower(s) year of birth agreed to the application form or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.20. Property Occupancy Status

For each loan in the Sample Pool, we confirmed whether the property occupancy status shown on the System agreed to the latest mortgage offer letter or application form. Where documents were not



available in accordance with the Issuer's documentation retention policy, we confirmed whether the property occupancy status shown on the Sample Pool agreed to the System. We found that the property occupancy status agreed to the above documents or the System, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

#### 2.21. Account Number

For each loan in the Sample Pool, we confirmed whether the account number shown on the Look-Up file agreed to the System. We found that the account number agreed to the System, [except for x cases/with no exception].

For this procedure, we can state that we are 99% confident that not more than x% of the loan population contains errors.

#### 2.22. Credit Assessment/Score

For each loan in the Sample Pool, we confirmed whether a credit score or external credit assessment had been obtained. We found that a credit score or external credit assessment had been obtained, [except for x cases /with no exception].

As a result of the procedures performed there is a 99% confidence that not more than x% of the First Pool Run contained errors.

### 2. Programme AUPs

We have carried out the Programme AUPs on the processes and procedures performed by the Issuer in respect of the Programme. These procedures were performed over certain policies and procedures performed by the Issuer in order to comply with Regulations 16 and 17 of the Regulations, and to meet the requirements of section 2.3.18G of the RCB Sourcebook.

The following terminology is used in the Programme AUPs below:

- The "RCBC ACM" is the stress testing model provided by the Regulated Covered Bond Council.
- "WAFF" is Weighted Average Foreclosure Frequency.
- "WALS" is Weighted Average Loss Severity.
- "WARR" is Weighted Average Recovery Rate.

#### 2.1 Proceeds of Issue

Regulation 16 - *An issuer must lend sums derived from the issue of a regulated covered bond to the owner of the relevant asset pool.*

We have inspected transaction journal entries of the LLP and the Issuer to ensure the sums derived from the issue of regulated covered bonds, as listed on Bloomberg, over the 12 months to [date] have been posted to the relevant entity.

#### 2.2 Servicing Agreement

Regulation 17(1) - *An issuer of a regulated covered bond must enter into arrangements with the owner of the relevant asset pool for the maintenance and administration of that pool.*

We have confirmed that there is an executed Servicing Agreement between the LLP, Santander UK plc as Seller and Servicer, and Deutsche Trustee Company Limited as Security Trustee in place dated 4 October 2007, as supplemented on 20 May 2008, 5 July 2012, 24 December 2012, 24 April 2018, 16 June 2020 and as further supplemented, covering the servicing of the asset pool.

#### 2.3 Asset Coverage

Regulation 17(2)(b) - *The asset pool is, during the whole period of validity of the regulated covered bond, capable of covering (i) claims attaching to the bond; and (ii) sums required for the maintenance, administration and winding up of the asset pool.*

The Issuer informed us that they monitor their compliance with this requirement through the RCBC ACM covered in section 2.5 below.

#### 2.4 Payment of Claims & sums required

Regulation 17(2)(c) - *There is timely payment of claims attaching to the bond to the regulated covered bond holder;*

We have received email confirmation from Deutsche Trustee Company Limited in its capacity as Security Trustee to confirm that the payment of claims by the Issuer had been made for the twelve months to [date]. For the avoidance of doubt we did not confirm the accuracy of the payment amount.

## 2.5 Stress Testing

Regulation 17(2)(d) - *The asset pool is of sufficient quality to give investors' confidence that in the event of the failure of the Issuer there will be a low risk of default in the timely payment by the owner of claims attaching to the bond*

We are informed by the Issuer that they monitor their compliance with this standard through:

- Ensuring the eligibility criteria are met prior to adding loans to the Asset Pool;
- Regulated Covered Bond Forum, the last meeting was held on [date], where the results of the following tests are reviewed:
  - Asset Capability Model ("ACM"), the RCBC ACM is completed and the results presented on a monthly basis;
  - Interest Coverage Test ("ICT"), in the context of both the Regulatory Available Capacity per Regulation 17 and on a stressed basis for the Internal Available Capacity which excludes any hedging agreements in relation to the asset pool and the Covered Bonds;
  - Over collateralisation ("OC"), per Regulation 17 and on a stressed basis per the Santander UK Covered Bond Programme Over-Collateralisation Policy which applies an amortisation speed of the Cover Pool at a rate equivalent to the average of the last three months three month Constant Prepayment Rate multiplied by a factor of 1.25 on a monthly basis to ensure there is enough OC, excluding cash, to pass the Regulatory and Programme tests over a three month period;
  - Over collateralisation ("OC"), Santander UK stresses the House Price Index ("HPI") to identify the breaking point at which item A of the Asset Coverage Test ("ACT") is negatively impacted in such a way that would result in the Adjusted Aggregate Loan Amount ("AALA") not being sufficient to pass this ACT; and
  - Asset Percentage ("AP"), Santander UK stresses the AP over a three month time horizon by increasing the haircut by 2.5% to ensure there is sufficient collateral in the Cover Pool to survive any negative review of the AP by a Rating Agency.

Eligibility criteria are considered in more detail in section 2.6 below. We have performed the following procedures in respect of the Issuer's stress testing:

The Issuer provided us with the results output from the RCBC ACM for each quarter over the last twelve months to [date]. For the avoidance of doubt we have not independently verified the accuracy of the RCBC ACM. We confirmed that in each instance the results of the 8 scenarios, for each quarter, were recorded as "PASS", using the following assumptions as disclosed in the RCBC ACM.

| <b>Data Input</b>  | <b>Assumption</b> |
|--|-------------------|
| Repossession costs & stressed sale reduction             |                   |
| Recovery time from default to sale (months)              |                   |
| Delinquency multiplier                                   |                   |
| Roll-to-default multiplier                               |                   |
| PGD multiplier   |                   |
| Peak-to-trough House price decline (over 24 months)      |                   |
| HP decline Floor   |                   |
| Low CPR step 1   |                   |
| Low CPR step 2   |                   |
| CPR Step month   |                   |
| High CPR   |                   |
| Low BBR - 3m £ LIBOR spread                              |                   |
| High BBR - 3m £ LIBOR spread                             |                   |
| Annual LLP Mortgage Servicing Expenses (% of pool)       |                   |
| Stressed AAA RMBS spread over LIBOR                      |                   |
| Maximum Securitisation/Sale Frequency (months)           |                   |
| Maximum Securitisation/Sale Proceeds (£000's)            |                   |
| Forced AAA RMBS spread over LIBOR                        |                   |
| Lockout period after forced securitisation/sale (months) |                   |
| Maximum forced Securitisation/Sale proceeds (£000's)     |                   |
| GIC spread to Libor                                      |                   |
| Annual senior expenses (% of bonds outstanding)          |                   |

We confirmed the following data inputs from the RCBC ACM dated [date] agreed to the respective support listed below:

|                               | Data Input   | Support   |
|-------------------------------|--|---|
| Securitisation Proceeds Input | Current Bank of England Base Rate  | Base rate published by the Bank of England as at [date]   |
|                               | Current 1 month Sterling Libor   | Bloomberg reports as at [date]  |
|                               | Current 3 month Sterling Libor   | Bloomberg reports as at [date]  |
|                               | Most Recent Halifax House Price Index Value (all houses, seasonally adjusted)              | Halifax House Price Index downloaded as at [date]   |
|                               | All-time-High Halifax House Price Index Value (all houses, seasonally adjusted)            | Halifax House Price Index downloaded as at [date]   |
| Rating Agency Model Inputs    | WAFF   | Fitch Ratings report dated [date]   |
|                               | WALS   | Fitch Ratings report dated [date]   |
|                               | Mortgage Spread (over libor post basis swap)   | Unable to verify  |
|                               | Mortgage Spread Step Pre/During Recession (quarterly, %) (multiply RA monthly figure by 3) | Unable to verify  |
|                               | Mortgage Spread Step Post Recession (quarterly, %) (multiply RA monthly figure by 3)       | Unable to verify  |
|                               | Mortgage Spread ceiling %  | Unable to verify  |
| Loan Data Inputs              | Possibility of Possessions given Default   | Spreadsheet 'name.xlsx' provided by the Issuer.   |
|                               | Delinquency and Roll-to-default data   | Spreadsheet 'name.xlsx' provided by the Issuer.   |
| Covered Bond Inputs           | Currency   | Bloomberg reports as at [date]  |
|                               | Balance  | Bloomberg reports as at [date]  |
|                               | Swap FX rate   | Transaction swap confirmations for:<br><br>[list all Series in issuance]<br>Provided by the issuer (together, the "Swap Confirmations") |
|                               | Legal Final Maturity   | Swap Confirmations  |
|                               | Floating Spread  | Swap Confirmations  |
|                               | Interest payment frequency on Swap   | Swap Confirmations  |
|                               | Next Interest Due Date   | Swap Confirmations  |
|                               |  |   |
| Liquid Asset Holdings         | Sterling Par Value   | Spreadsheet 'name.xlsx' provided by the Issuer.   |
|                               | Maturity date  | Spreadsheet 'name.xlsx' provided by the Issuer.   |
|                               | Spread to LIBOR received on Floating Rate Asset or under Swap on Fixed Rate Asset          | No input to verify  |
|                               | Interest payment frequency   | No input to verify  |
|                               | Next interest due date on floating rate assets   | No input to verify  |

We found that the data inputs agreed to the respective support, [except for x cases/with no exception] in relation to the Covered Bond Inputs.

## 2.6 Eligibility Criteria

Regulation 17(2)(e) - *the eligible property in the asset pool of a single asset class bond consists only of eligible property of the same class as the eligible property included in the asset pool of the regulated covered bond when it was registered*

We have obtained from the Issuer the data file 'name.csv' containing data in respect of the Asset Pool as at [date] (the "Eligibility Data File"). For the avoidance of doubt we have not independently verified the data in the Eligibility Data File. We inspected the Eligibility Data File to confirm whether certain eligibility criteria detailed within the representations and warranties section of the terms of the Programme had been met. Certain representations and warranties included within the terms of the Programme cannot be validated against a data file and as such have not been tested. The procedures carried out were as follows:

- We confirmed that each loan in the Eligibility Data File related to a residential mortgage, [with no exception / except for x cases].

- We confirmed that each loan in the Eligibility Data File was originated by the Issuer in sterling and denominated in sterling, [with no exception / except for x cases].
- We confirmed that each loan in the Eligibility Data File had an outstanding principal balance of less than £1,000,000, [with no exception / except for x cases].
- We confirmed that each borrower in the Eligibility Data was aged 18 years or older at the date of entering into the relevant loan and its related security, [with no exception / except for x cases].
- We confirmed that each property in the Eligibility Data File was a residential property situated in England, Wales, Northern Ireland or Scotland, [with no exception / except for x cases].
- We confirmed that each loan in the Eligibility Data File did not exceed the maximum term of 50 years, [with no exception / except for x cases].
- We confirmed that each property in the Eligibility Data File had a valuation date not more than six months old as at the loan origination date, [with no exception / except for x cases].

## 2.7 Over Collateralisation test

Regulation 17(2)(f) - *the total principal amounts outstanding in respect of eligible property in the asset pool is more than 108% of the total principal amounts outstanding in relation to the bonds to which the asset pool relates*

The Issuer has informed us that they calculate the over collateralisation test (the "Over Collateralisation Test") on a monthly basis.

We have obtained from the Issuer their Over Collateralisation Test calculation as at [date] (the "Over Collateralisation Statement"), attached as Appendix iii, and inspected it to confirm that:

- the total principal amounts outstanding in respect of eligible property in the Loan Pool was more than 108% of the total principal amounts outstanding in relation to the bonds to which the Loan Pool relates.
- in accordance with Regulation 17(2A) account had been taken of eligible property which was liquid assets to the extent permitted.
- in accordance with Regulation 17(2B), the total principal amounts outstanding in respect of eligible property which is liquid assets shall not exceed an amount which is the sum of:
  - 8% of the total principal amounts outstanding in relation to bonds with a maturity of one year or more; and
  - 100% of the total principal amounts outstanding in relation to bonds with a maturity of less than one year.
- In accordance with Regulation 17(2C) no account shall be taken of eligible property which is within paragraph(a) of the definition of "liquid assets" in regulation 1(2).
- In accordance with Regulation 17(2D) the Issuer had taken account of any hedging agreements which it had entered into in relation to the assets in the Loan Pool and the regulated covered bonds.

We re-performed the Over Collateralisation Test as at [date] using our own model and the data file 'name.xlsx' (the "OCT Data File") provided by the Issuer and found that:

- The Over Collateralisation Statement showed that the total principal amounts outstanding in respect of eligible property in the Loan Pool were more than 108% of the total principal amounts outstanding in relation to the bonds to which the Loan Pool relates.
- In accordance with Regulation 17(2A) account had been taken of eligible property which was liquid assets to the extent permitted.
- In accordance with Regulation 17(2B), the total principal amounts outstanding in respect of eligible property which is liquid assets shall not exceed an amount which is the sum of:
  - 8% of the total principal amounts outstanding in relation to bonds with a maturity of one year or more; and
  - 100% of the total principal amounts outstanding in relation to bonds with a maturity of less than one year.
- In accordance with Regulation 17(2C) no account shall be taken of eligible property which is within paragraph (a) of the definition of "liquid assets" in regulation 1(2).

- In accordance with Regulation 17(2D) the Issuer had taken account of any hedging agreements which it had entered into in relation to the assets in the Loan Pool and the regulated covered bonds.

For the avoidance of doubt we have not independently verified the data in the OCT Data File.

Assumption used:

[to be inserted]

## 2.8 Interest Coverage test

Regulation 17(2)(g) - *the total amount of interest payable in the period of twelve months following any given date in respect of eligible property in the asset pool is not less than the interest which would be payable in relation to the regulated covered bonds issued under the programme in that period, assuming that the reference rates applicable on the given date do not change in that period*

The Issuer has informed us that they calculate the Interest Coverage Test on a monthly basis (the "Interest Coverage Test").

We have obtained from the Issuer their Interest Coverage Test calculation as at [date] (the "Interest Coverage Statement") attached as Appendix iv and:

- confirmed the results of the Issuer's Interest Coverage Test as at [date] and observed that the total amount of interest payable in the period of twelve months following [date] in respect of eligible property in the asset pool is not less than the interest which would be payable in relation to the regulated covered bonds issued under the programme in that period, assuming that the reference rates applicable on the given date do not change in that period; and
- confirmed that in accordance with Regulation 17(2D) the issuer had taken account of any hedging agreements which it had entered into in relation to the assets in the asset pool and the regulated covered bonds.

We re-performed the Interest Coverage Test as at [date] using our own model, the assumptions listed below and the data files 'name.xlsm' and 'name.xlsx' (together, the "ICT Data File") provided by the Issuer and observed that:

- the total amount of interest payable in the period of twelve months following any given date in respect of eligible property in the asset pool is not less than the interest which would be payable in relation to the regulated covered bonds issued under the programme in that period, assuming that the reference rates applicable on the given date do not change in that period;
- in accordance with Regulation 17(2D) the issuer had taken account of any hedging agreements which it had entered into in relation to the assets in the asset pool and the regulated covered bonds.

For the avoidance of doubt we have not independently verified the data in the ICT Data File.

## 2.9 Solvency of the Issuer

Regulation 17(3) - *Regulation 17 does not apply in the event of the insolvency of the issuer.*

We received an executed copy of the Solvency Certificate for Santander UK plc dated [date].

## 2.10 RCB 3 Annex 2D Form

Section 2.3.18Gb of the RCB Sourcebook requires that the Asset Pool Monitor perform Agreed upon Procedures on the Issuer's monthly analysis of assets to the FCA reported within the RCB 3 Annex 2D "Asset pool notification form (the "Annex 2D form").

We have obtained from the Issuer their Annex 2D Form 'name.xlsx' as at [date] (the "Annex 2D Form") and the following data files 'name.xlsm', 'name.csv' and 'name.xlsx' (together, the "2D Data Files") from which they prepared the Annex 2D Form.

For the avoidance of doubt we have not independently verified the data in the 2D Data Files. Using the 2D Data Files we recalculated the equivalent following information and found that it was in agreement with that in the Annex 2D Form:

- Asset Coverage Test

- Arrears breakdown
- Current non-indexed LTV
- Current indexed LTV
- Current outstanding balance of loan
- Regional distribution
- Repayment type
- Seasoning
- Interest payment type
- Loan purpose type
- Income verification type
- Remaining term of loan
- Employment status

We attach as Appendix v the Annex 2D Form marked with boxes to identify the information that we have agreed to our own computations.

Such calculated amounts were deemed to be arithmetically correct if the sterling amounts, lives or percentages are within £1, 0.1 year and 1%, respectively.

### **2.11 Additional procedures**

No additional procedures have been requested or performed.

## **3 LIMITATIONS**

The scope of our work in preparing this report (the “Asset Pool Monitor Report”) was limited solely to those procedures set out above. Accordingly we do not express any opinion or overall conclusion on the procedures we have performed and therefore we do not provide an overall conclusion as to whether you have complied with the Regulations. You are responsible for determining whether the scope of our work specified is sufficient for your purposes and we make no representation regarding the sufficiency of these procedures for your purposes. If we were to perform additional procedures, other matters might come to our attention that would be reported to you.

Our Asset Pool Monitor Report should not be taken to supplant any other enquiries and procedures that may be necessary to satisfy the requirements of the Recipients of the Asset Pool Monitor Report.

The procedures we performed did not constitute a review or an audit of any kind. We did not subject the information contained in our Asset Pool Monitor Report or given to us by the Directors to checking or verification procedures except to the extent expressly stated above. This is normal practice when carrying out such limited scope procedures, but contrasts significantly with, for example, an audit. The procedures we performed were not designed to and are not likely to reveal fraud.

## **4 USE OF ASSET POOL MONITOR REPORT**

This Asset Pool Monitor Report is provided to you solely for your private information under the terms of our Engagement Letter and solely for the purpose of performing certain Agreed upon Procedures on certain residential loans held by the LLP and to report to you the results of the procedures. This Asset Pool Monitor Report may not be recited or referred to in any other document, copied nor made available (in whole or in part) to any other party other than the LLP, the Issuer, the Security Trustee and the Bond Trustee nor may the fact of the engagement and our name in connection with the engagement be disclosed, without our prior express written consent (which shall not be unreasonably withheld or delayed). Nothing in this letter shall prevent you, the Security Trustee or the Bond Trustee from disclosing this Asset Pool Monitor Report to your or their respective legal advisers (but without creating any duty or liability to them on our part) or as may be required by any legal, professional or regulatory requirement.

We acknowledge that you have requested that we give access to this Asset Pool Monitor Report to the FCA on a non-recourse basis. In preparing and signing this Asset Pool Monitor Report, we accept no duty, responsibility or liability to any other party (including the FCA). This Asset Pool Monitor Report is provided to them solely for their information and was not prepared with their interests in mind and that accordingly we do not owe, accept or assume any duty of care, responsibility or liability to them in connection with this Asset Pool Monitor Report or the engagement.

This Asset Pool Monitor Report may not be used in connection with any obligations or responsibilities that you may have under any legislation, regulation and/or rule of law in the United States.

Other than those who have validly accepted the Engagement Letter, we will not accept any duty, responsibility or liability to any party to whom this Asset Pool Monitor Report is shown or into whose hands it may come.

Yours faithfully,

**Deloitte LLP**

|      |              |   |
|------|--------------|---|
| Enc. | Appendix i   | Engagement Letter                                   |
|      | Appendix ii  | Agreed upon Procedures results in FCA template form |
|      | Appendix iii | Over Collateralisation Statement                    |
|      | Appendix iv  | Interest Coverage Statement                         |
|      | Appendix v   | RCB 3 Annex 2D form                                 |

**SIGNATORIES**

**SIGNED** by )  
**ABBEY COVERED BONDS LLP** )  
acting by its attorney )

**SIGNED** by )  
**SANTANDER UK PLC** )  
in its capacity as Cash Manager )  
acting by its attorney )

**SIGNED** by )  
**SANTANDER UK PLC** )  
in its capacity as Issuer )  
acting by its attorney )

**SIGNED** by )  
duly authorised for )  
and on behalf of )  
**DELOITTE LLP** )  
in its capacity as Asset Monitor )

**SIGNED** by )  
duly authorised for )  
and on behalf of )  
**DEUTSCHE TRUSTEE COMPANY** )  
**LIMITED** )  
in its capacity as Security Trustee )

**SIGNED** by )  
duly authorised for )  
and on behalf of )  
**DEUTSCHE TRUSTEE COMPANY** )  
**LIMITED** )  
in its capacity as Bond Trustee )





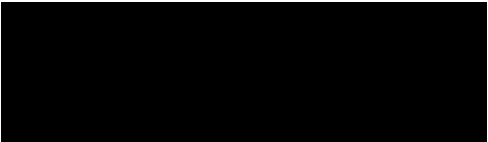
**SIGNATORIES**

**SIGNED** by )  
**ABBAY COVERED BONDS LLP** )  
acting by its attorney )

**SIGNED** by )  
**SANTANDER UK PLC** )  
in its capacity as Cash Manager )  
acting by its attorney )

**SIGNED** by )  
**SANTANDER UK PLC** )  
in its capacity as Issuer )  
acting by its attorney )

**SIGNED** by )  
duly authorised for )  
and on behalf of )  
**DELOITTE LLP** )  
in its capacity as Asset Monitor )



**SIGNED** by )  
duly authorised for )  
and on behalf of )  
**DEUTSCHE TRUSTEE COMPANY** )  
**LIMITED** )  
in its capacity as Security Trustee

**SIGNED** by )  
duly authorised for )  
and on behalf of )  
**DEUTSCHE TRUSTEE COMPANY** )  
**LIMITED** )  
in its capacity as Bond Trustee