

Execution Version

**SONIA - Funding 1 Swap
Confirmation
(SVR Loans)**

From: Santander UK plc
2 Triton Square
Regent's Place
London
NW1 3AN (**Party A**)

To: Fosse Funding (No. 1) Limited
1 Bartholomew Lane
London
EC2N 2AX (**Party B**)

Copy: The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL

Attention: Trustee Administration Manager – Fosse

29 July _____ 2021

Dear Sirs,

Confirmation – SONIA Funding 1 Swap (SVR Loans)

This letter amends and restates, with effect from the first day of the Interest Period (as defined below) commencing on or immediately prior to the date on which a new SONIA-Linked Intercompany Loan is advanced by the Issuer to Funding 1 following the date of this letter, the Confirmation entered into between Santander UK plc, Fosse Funding (No. 1) Limited and The Bank of New York Mellon, London Branch (the "**Security Trustee**") dated 13 September 2019 (the "**Old Confirmation**"), as amended and/or restated and/or supplemented from time to time. Accordingly, this letter constitutes the "**Confirmation**" in respect of the terms of the Transaction and the Old Confirmation shall no longer apply.

This Confirmation is subject to and forms part of the 1992 ISDA Master Agreement (Multicurrency - Cross Border) entered into between us, you and the Security Trustee dated as of 13 September 2019 as amended and/or restated and/or supplemented from time to time (the "**Agreement**").

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

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

Calculation Date means the first day of each month and any other day on which Funding 1 acquires a further interest in the Trust Property from and including the Calculation Date immediately preceding the Effective Date.

Calculation Period means each period from, and including, each Calculation Date to, but excluding, the next Calculation Date except that (i) the initial Calculation Period will commence on, and include the Effective Date and end on, but exclude, the first Calculation Date following the Effective Date and (b) the final Calculation Period shall end on, but exclude, the Termination Date.

Calculation Period Funding 1 Amount means, in respect of a Calculation Period, an amount in Sterling equal to the amount produced by applying the Weighted Average SVR Rate for such Calculation Period to the Notional Amount for such Calculation Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Calculation Period, divided by 365.

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

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

Funding 1 Amount means, in respect of an Interest Period, the product of (i) the sum of each of the Calculation Period Funding 1 Amounts in respect of that Interest Period's Relevant Calculation Periods and (ii) the Shortfall Ratio in respect of that Interest Period.

Funding 1 Available Amount means, in respect of a Calculation Period, an amount, subject to a minimum of zero, equal to (1) the sum of (i) the aggregate of amounts falling under paragraph (a) of the definition of Funding 1 Available Revenue Receipts that are available to be applied on the Relevant Interest Payment Date and (ii) amounts falling under paragraph (b) of the definition of Funding 1 Available Revenue Receipts (excluding any amounts that are net amounts received by Funding 1 under this Agreement) that are available to be applied on the Relevant Interest Payment Date *minus* (2) the aggregate of the amounts required to be paid on the Relevant Interest Payment Date pursuant to items (a) to (c) (both inclusive) of the Funding 1 Pre-Acceleration Revenue Priority of Payments, each as notified by the Cash Manager in accordance with the terms of the Cash Management Agreement.

Interest Payment Date means each Funding 1 Interest Payment Date.

Interest Period means the period from (and including) the Effective Date to but excluding the first Interest Payment Date and thereafter from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Loan Balance means, in respect of a Calculation Period or a particular date, the aggregate Outstanding Principal Balance of the Loans at the close of business on the day immediately preceding such Calculation Period or the aggregate Outstanding Principal Balance of the Loans on such date (as applicable), in each case as notified by the Cash Manager in accordance with the Cash Management Agreement.

Notional Amount means,

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

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

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

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

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

Relevant Variable Rate Loan Balance means, in respect of a Calculation Period or a particular date, the aggregate Outstanding Principal Balance of the Relevant Variable Rate Loans at the close of

business on the day immediately preceding such Calculation Period, or the aggregate Outstanding Principal Balance of the Relevant Variable Rate Loans on such date (as applicable), in each case as notified by the Cash Manager in accordance with the provisions of the Cash Management Agreement.

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

SONIA-Linked Intercompany Loan means any Loan Tranche made from time to time by the Issuer to Funding 1 pursuant to the Intercompany Loan Agreement, that pays a rate determined by reference to SONIA.

SONIA Ratio means, in respect of any Calculation Period, an amount equal to the Outstanding Principal Amount of all SONIA-Linked Intercompany Loans on the first day of such Calculation Period divided by the Outstanding Principal Amount of all Intercompany Loans on the first day of such Calculation Period.

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

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

Variable Rate SONIA Spread means 2.95 per cent. per annum, or such other rate specified as the Variable Rate SONIA Spread in the most recent Final Terms, or such other rate as the Calculation Agent may, in consultation with the Cash Manager, on any Sale Date, specify as being effective for one or more succeeding Calculation Periods provided that the Rating Agencies have confirmed to the Funding 1 Security Trustee in writing that such other rate will not cause the then current rating of the Rated Notes to be downgraded or placed under review for possible downgrade. If a written request for such confirmation is delivered to each Rating Agency and (a) either (i) a Rating Agency (a "**Non-Responsive Rating Agency**") indicates that it does not consider such confirmation necessary in the circumstances or (ii) within 30 days of delivery of such request, such request elicits no confirmation and/or such request elicits no statement by such Non-Responsive Rating Agency that such confirmation could not be given; and (b) at least one Rating Agency gives such a confirmation based on the same facts, then the rate specified by the Calculation Agent shall be effective, so that there shall be no requirement for the confirmation from any Non-Responsive Rating Agency.

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

Weighted Average SONIA Rate means, in respect of an Interest Period, the weighted average (calculated by reference to the outstanding principal amount of each SONIA-Linked Intercompany Loan during that Interest Period) of the SONIA rates that would apply to SONIA-Linked

Intercompany Loans for that Interest Period pursuant to clause 7.2 of the Intercompany Loan Agreement without including any margin.

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

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

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.
2. The terms of the Transaction to which this Confirmation relates are as follows:

Party A: Santander UK plc

Party B: Fosse Funding (No. 1) Limited

Trade Date: 13 September 2019

Effective Date: 13 September 2019

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

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

Interim Exchanges:

Total Interim Exchange Amount: Shall be the amount specified as such in the Final Terms for the relevant Series of Notes in respect of the Funding 1 Swaps as at any New Closing Date.

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

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

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

Calculation of Amounts:

On each Interest Payment Date, the Calculation Agent shall calculate the Swap Provider Amount and the Funding 1 Amount for the then current Interest Period, and forthwith notify Party A, Party B and the Cash Manager of the amounts so determined and of the net amount determined as set out below.

Payments:

If, in relation to any Interest Payment Date:

- (i) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Funding 1 Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party A shall pay the amount of such excess to Party B on such Interest Payment Date;
- (ii) the Funding 1 Amount for the Interest Period ending on, but excluding, such Interest Payment Date exceeds the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date, Party B shall pay the amount of such excess to Party A on such Interest Payment Date; or
- (iii) the Swap Provider Amount for the Interest Period ending on, but excluding, such Interest Payment Date is equal to the Funding 1 Amount for the Interest Period ending on, but excluding, such Interest Payment Date, no amount shall be due and payable by either party hereunder in relation to such Interest Payment Date.

Calculation Agent:

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

3. **Account Details:**

Payments to Party A: Direct via CHAPS

Sort Code: [REDACTED]

Account Number: [REDACTED]

Payments to Party B: Direct via CHAPS to Funding 1 Transaction Account

Sort Code: [REDACTED]

Ref.: Fosse Funding (No. 1) Ltd (Funding 1 Transaction Account)

4. **Notice Details:**

Party A: Santander UK plc

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

Attention: Medium Term Funding

Email: MTF@santander.co.uk

Telephone No.: +44 (0) 20 7756 7100

Party B:

Address: Fosse Funding (No. 1) Limited
1 Bartholomew Lane
London
EC2N 2AX

Attention: The Directors

Telephone No.: 020 7398 6300

With a copy to: The Bank of New York Mellon, London Branch (the
"Funding 1 Security Trustee")

Address: One Canada Square
London E14 5AL

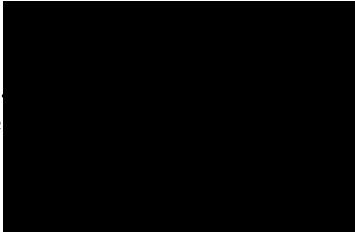
Email: corpsov2@bnymellon.com

Attention: Trustee Administration Manager – Fosse

Yours faithfully,

SANTANDER UK PLC

By:.....
Name
Title:
Date:



FOSSE FUNDING (NO. 1) LIMITED
Per pro Intertrust Directors 1 Limited, as Director

By:
Name:
Title:
Date:

