237247/13

In accordance with Sections 859A and 859J of the Companies Act 2006.

MR01
Particulars of a charge

IRIS Laserform

A fee is payable with this form
Please see 'How to pay' on the last page

You can use the WebFiling service to file this form online
Please go to www companieshouse gov uk

✓ What this form is for
You may use this form to register a charge created or evidenced by an instrument

✗ What this form is NOT for
You may not use this form to register a charge where there is r instrument Use form MR08

For further information, please

MONDAY

L56M8XZ7
LD3 09/05/2016 #49
COMPANIES HOUSE

This form must be delivered to the Registrar for registration within 21 days beginning with the day after the date of creation of the charge If delivered outside of the 21 days it will be rejected unless it is accompanied b court order extending the time for delivery

You must enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record

1 Company details

For official use 0905.

Company number: 0 5 9 2 5 6 9 6 ✓

Company name in full: FOSSE FUNDING (NO.1) LIMITED ✓

→ Filling in this form
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

2 Charge creation date

Charge creation date: d2 d9 m0 m4 y2 y0 y1 y6 ✓

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge

Name: Law Debenture Trust Company of New York (Security Trustee) ✓

Name:

Name:

Name:

If there are more than four names, please supply any four of these names then tick the statement below

☐ I confirm that there are more than four persons, security agents or trustees entitled to the charge

MR01
Particulars of a charge

4 Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page
Please use a continuation page if you need to enter more details.

Description

N/A

5 Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

✓ [X] Yes

☐ No

6 Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

✓ [X] Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7 Negative Pledge

✓

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

[X] Yes

☐ No

MR01
Particulars of a charge

8 **Trustee statement** ❶

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

❶ This statement may be filed after the registration of the charge (use form MR06)

9 **Signature**

Please sign the form here.

Signature

Signature

X on behalf of FOSSE FUNDING (NO 1) LIMITED X

This form must be signed by a person with an interest in the charge.

MR01
Particulars of a charge

Presenter information

We will send the certificate to the address entered below All details given here will be available on the public record You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address

Contact name Jamie Long

Company name Allen & Overy LLP

Address One Bishops Square

Post town London

County/Region United Kingdom

Postcode E 1 6 A D

Country

DX

Telephone 020 3088 0000

Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following

- [x] The company name and number match the information held on the public Register
- [x] You have included a certified copy of the instrument with this form
- [x] You have entered the date on which the charge was created
- [x] You have shown the names of persons entitled to the charge
- [x] You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- [x] You have given a description in Section 4, if appropriate.
- [x] You have signed the form
- [x] You have enclosed the correct fee
- [x] Please do not send the original instrument, it must be a certified copy

Important information

Please note that all information on this form will appear on the public record

How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'

Where to send

You may return this form to any Companies House address However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 5925696

Charge code: 0592 5696 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th April 2016 and created by FOSSE FUNDING (NO.1) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th May 2016.

Given at Companies House, Cardiff on 18th May 2016

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

EXECUTION VERSION

Except for material redacted pursuant to s 859G of the Companies Act 2006 I certify that this is a copy of the original document

Name JOANA FRAGATA
Qualified as SOLICITOR
Allen Overy LLP
One Bishops Square
London E1 6AD
United Kingdom
Date

SIXTH SUPPLEMENTAL FUNDING 1 DEED OF CHARGE

DATED 29 APRIL 2016

BETWEEN

FOSSE FUNDING (NO. 1) LIMITED
(as Funding 1)

and

FOSSE MASTER ISSUER PLC
(as Issuer)

and

LAW DEBENTURE TRUST COMPANY OF NEW YORK
(as Funding 1 Security Trustee and Issuer Security Trustee)

and

SANTANDER UK PLC
(as Seller, Cash Manager, Funding 1 Swap Provider, Funding 1 Start-Up Loan Provider and Account Bank B)

and

THE BANK OF NEW YORK MELLON, LONDON BRANCH
(as Account Bank A)

STRUCTURED FINANCE MANAGEMENT LIMITED
(as Corporate Services Provider)

and

FOSSE TRUSTEE (UK) LIMITED
(as Mortgages Trustee)

ALLEN & OVERY

Allen & Overy LLP

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THIS SIXTH SUPPLEMENTAL FUNDING 1 DEED OF CHARGE is made on 29 April 2016

BETWEEN

(1) **FOSSE FUNDING (NO. 1) LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 5925696), whose registered office is at c/o Structured Finance Management Limited, 35 Great St Helen's, London EC3A 6AP (**Funding 1**),

(2) **FOSSE MASTER ISSUER PLC**, a public limited company incorporated in England and Wales (registered number 5925693), whose registered office is 35 Great St Helen's, London EC3A 6AP (the **Issuer**),

(3) **LAW DEBENTURE TRUST COMPANY OF NEW YORK,** acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017 (acting in its capacities as **Funding 1 Security Trustee** and **Issuer Security Trustee** which expressions include such companies and all other persons or companies for the time being acting as trustee and security trustee under this Deed and the Issuer Deed of Charge respectively),

(4) **SANTANDER UK PLC** (formerly Abbey National plc) (registered number 2294747), a public limited company incorporated in England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (in its capacity as **Seller, Cash Manager**, **Funding 1 Swap Provider**, **Funding 1 Start-Up Loan Provider** and **Account Bank B**),

(5) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH** whose principal office is at 40th Floor, One Canada Square, London E14 5AL, in its capacity as account bank in the case of the Funding 1 Transaction Account (**Account Bank A** and a **New Funding 1 Secured Creditor**),

(6) **SANTANDER UK PLC** (registered number 2294747), a public limited company incorporated in England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (in its capacity as **Funding 1 Loan Provider** and a **New Funding 1 Secured Creditor**),

(7) **STRUCTURED FINANCE MANAGEMENT LIMITED**, a private limited company incorporated under the laws of England and Wales (registered number 03853947), whose registered office is at 35 Great St Helen's, London EC3A 6AP (acting in its capacity as the **Corporate Services Provider**), and

(8) **FOSSE TRUSTEE (UK) LIMITED**, (registered number 07210492) a private limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (in its capacity as **Mortgages Trustee**)

BACKGROUND

(A) This Deed is supplemental to the Funding 1 Deed of Charge made between, among others, Funding 1 and the Funding 1 Security Trustee and dated 28 November 2006 (as supplemented and amended on 1 August 2007, 11 March 2010, 21 April 2011, 27 April 2012 and 19 August 2013) (the **Existing Funding 1 Deed of Charge**)

(B) The parties have agreed to supplement and amend the Existing Funding 1 Deed of Charge pursuant to this Supplemental Funding 1 Deed of Charge

(C) Pursuant to a bank business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (the **Part VII Scheme**), all of Alliance & Leicester's business was transferred to Santander

UK The Part VII Scheme was approved by the Part VII Order and became effective on 28 May 2010 (the **Part VII Effective Date**) Following the approval of the Part VII Scheme which provided for the transfer of the Existing Funding 1 Deed of Charge, all accrued rights and obligations of Alliance & Leicester in its capacities as a Funding 1 Secured Creditor under the Existing Funding 1 Deed of Charge and all future rights and obligations of Alliance & Leicester in its capacities as a Funding 1 Secured Creditor under the Existing Funding 1 Deed of Charge were transferred to, and vested in or became liabilities of (as applicable), Santander UK on Part VII Effective Date

(D) Pursuant to a supplement to the Mortgages Trust Deed dated on or around the date hereof (the **Supplemental Mortgages Trust Deed**) entered into by, amongst others, Fosse Trustee Limited as Mortgages Trustee, Fosse Trustee (UK) Limited was appointed in place of Fosse Trustee Limited as trustee of the Mortgages Trust with effect from 29 April 2016 and the Trust Property vested in Fosse Trustee (UK) Limited as Mortgages Trustee

IT IS AGREED as follows

1. INTERPRETATION

1 1 The master definitions and construction schedule signed by, amongst others, the Issuer and dated 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties to this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014 and the date hereof) (the **Master Definitions and Construction Schedule**) and the issuer master definitions and construction schedule, signed by, amongst others, the Issuer and dated on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time with the consent of the parties this Deed, including on 1 August 2007, 20 December 2007, 23 November 2009, 11 March 2010, 21 April 2011, 27 April 2012, 23 May 2012 and the date hereof) (the **Issuer Master Definitions and Construction Schedule**) are expressly and specifically incorporated into this Deed and, accordingly, the expressions defined in the Master Definitions and Construction Schedule and the Issuer Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Deed, including the recitals thereto

1 2 This Deed shall be construed in accordance with the rules of construction set out in the Master Definitions and Construction Schedule

1 3 On and from the Part VII Effective Date, the Existing Funding 1 Deed of Charge shall be construed as if Santander UK had always been a party to it instead of Alliance & Leicester in its capacities as Seller, Cash Manager, Funding 1 Swap Provider and Funding 1 Start-Up Loan Provider Accordingly, on and from the Part VII Effective Date, all rights, liabilities, obligations, powers, trusts, authorities, duties and discretions exercised or performed (or exercisable or performable) by Alliance & Leicester in its capacities as Seller, Cash Manager, Funding 1 Swap Provider and Funding 1 Start-Up Loan Provider under the Existing Funding 1 Deed of Charge prior to the Part VII Effective Date are deemed to have been exercised or performed (or to have been exercisable or performable) by Santander UK However, the foregoing shall not apply to the extent inconsistent with the Part VII Scheme or to create or diminish any rights, liabilities, obligations, powers, trusts, authorities, duties or discretions or to create or diminish any other assets and liabilities (as to be defined in the Part VII Scheme) otherwise than as provided for in the Part VII Scheme

2. AMENDMENT OF THE EXISTING FUNDING 1 DEED OF CHARGE

2 1 With effect from the date hereof, Clause 12 1 the Existing Funding 1 Deed of Charge is modified by adding a new Clause 12 1(g)

"The Funding 1 Security Trustee shall, without the consent of any Funding 1 Secured Creditor, be required to give its consent to any modifications to these presents or any of the other Transaction Documents that are requested by Funding 1 (or the Cash Manager on its behalf), provided that Funding 1 has certified to the Funding 1 Security Trustee in writing that such modifications are required solely for the purposes of enabling the Issuer

(i) to remove any one of the Rating Agencies (a **Removed Rating Agency**) from rating any Series and Class of Notes issued on or after 29 April 2016 (and which are not consolidated with and do not form a single Series and Class with any Notes issued prior to such date) (the **New Notes**) together with the related ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to such Removed Rating Agency (an **Existing Rating Agency Removal**) in so far as these relate solely to such Series and Class of New Notes, and/or

(ii) to reappoint any such Removed Rating Agency or substitute any such Removed Rating Agency for one of the remaining two Rating Agencies to provide a rating in respect of any Series and Class of New Notes and include the then current relevant ratings criteria, rating tests, rating triggers and any and all relevant requirements specified by and/or relating to the reappointed Rating Agency (an **Existing Rating Agency Reappointment**),

(each of an Existing Rating Agency Removal and an Existing Rating Agency Reappointment, a **Ratings Modification Event**), provided that, in each case and at all times, such Series and Class of New Notes continues to be rated by at least two Rating Agencies, and subject as provided below

The Funding 1 Secured Creditors shall be deemed to have instructed the Funding 1 Security Trustee to concur in effecting any such Ratings Modification Event and shall be bound by the modifications to the Transaction Documents made for the purpose of implementing such Ratings Modification Event regardless of whether or not such modifications are materially prejudicial to the interests of the Funding 1 Secured Creditors, provided that, the Funding 1 Security Trustee shall not be obliged to agree to any Ratings Modification Event which, in the sole opinion of the Funding 1 Security Trustee, would have the effect of (x) exposing the Funding 1 Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (y) increasing the obligations or duties, or decreasing the protections of the Funding 1 Security Trustee under the Transaction Documents and/or the Conditions "

3. SUPPLEMENTAL

Save as expressly amended by this Deed, the Existing Funding 1 Deed of Charge shall remain in full force and effect and the security created thereunder and all of the other rights, powers, obligations and immunities comprised therein and arising pursuant thereto shall remain in full force and effect notwithstanding this Deed The Existing Funding 1 Deed of Charge and this Deed shall henceforth be read and construed as one document and references in the Existing Funding 1 Deed of Charge to "this Deed" shall be read as references to the Existing Funding 1 Deed of Charge as supplemented and amended by this Deed

4. COUNTERPARTS

This Deed may be executed and delivered in any number of counterparts (including by facsimile or electronic transmission), all of which, taken together, shall constitute one and the same deed and any party to this Deed may enter into the same by executing and delivering a counterpart (including by facsimile or electronic transmission)

This Deed (in relation to any rights or assets situated in Scotland or otherwise governed by Scots law) shall be fully effective and binding on Funding 1 upon at least one copy of this Deed having been delivered by Funding 1, notwithstanding that this Deed has not then been executed and delivered by any other party thereto or that such other party has executed or executes or has delivered or delivers a counterpart to this Deed

5. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but this does not affect any right or remedy of a third party which exists or is available apart from that Act

6. LAW AND JURISDICTION

6 1 Governing Law

This Deed (and any non-contractual obligations arising out of or in connection with it) is governed by, and shall be construed in accordance with, English law

6 2 Submission to jurisdiction

Funding 1 irrevocably agrees for the benefit of the Funding 1 Security Trustee and the other Funding 1 Secured Creditors that the English courts have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Deed (and any non-contractual obligations arising out of or in connection with it) and accordingly submits to the exclusive jurisdiction of the English courts Funding 1 waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum The Funding 1 Security Trustee and the other Funding 1 Secured Creditors may take any suit, action or proceeding arising out of or in connection with this Deed (and any non-contractual obligations arising out of or in connection with it) (together referred to as **Proceedings**) against Funding 1 in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions

6 3 **Waiver of trial by jury**

Each party waives any right it may have to a jury trial of any claim or cause of action in connection with this Deed or any transaction contemplated by this Deed This Deed may be filed as a written consent to trial by court

THIS DEED has been executed as a deed by each of the parties and delivered on the date stated at the beginning of this Deed

Funding 1

EXECUTED as a **DEED** by)
FOSSE FUNDING (NO. 1) LIMITED)
Per pro SFM Directors Limited as Director)
Per pro SFM Directors (No 2) Limited as Director)

REDACTED UNDER S.859G OF THE COMPANIES ACT 2006

in the presence of

Witness's Signature

Name

Address

Issuer

EXECUTED as a **DEED** by)
FOSSE MASTER ISSUER PLC)
Per pro SFM Directors Limited as Director)
Per pro SFM Directors (No 2) Limited as Director)

REDACTED UNDER S.859G OF THE COMPANIES ACT 2006

in the presence of

Witness's Signature

Name

Address

Funding 1 Security Trustee and Issuer Security Trustee

EXECUTED as a **DEED** by)
LAW DEBENTURE TRUST COMPANY OF)
NEW YORK)
acting by its duly authorised attorney)

REDACTED UNDER S.859G OF THE COMPANIES ACT 2006

Frank Godino
Vice President
Law Debenture Trust Company of New York

in the presence of

Witness's signature:

Name REDACTED UNDER S.859G OF THE COMPANIES ACT

Address LAW DEBENTURE TRUST COMPANY OF NEW YORK
400 MADISON AVENUE, 4th FLO
NEW YORK, NEW YORK 10017

Seller, Cash Manager, Funding 1 Swap Provider, Funding 1 Start-up Loan Provider, Account Bank B, Funding 1 Loan Provider and New Funding 1 Secured Creditor

EXECUTED as a **DEED** by)
SANTANDER UK PLC)
acting by its duly authorised attorney)

in the presence of

Witness's Signature:

Name

Address

Funding 1 Corporate Services Provider

EXECUTED as a **DEED** by)
STRUCTURED FINANCE MANAGEMENT)
LIMITED)
acting by two)
directors/a director and the secretary)

Director

Director/Secretary

Funding 1 Security Trustee and Issuer Security Trustee

EXECUTED as a **DEED** by)
LAW DEBENTURE TRUST COMPANY OF)
NEW YORK)
acting by its duly authorised attorney)

in the presence of

Witness's signature

Name

Address

Seller, Cash Manager, Funding 1 Swap Provider, Funding 1 Start-up Loan Provider, Account Bank B, Funding 1 Loan Provider and New Funding 1 Secured Creditor

EXECUTED as a **DEED** by)
SANTANDER UK PLC)
acting by its duly authorised attorney)

REDACTED UNDER S.859G OF THE COMPANIES ACT 2006

in the presence of

Witness's Signature REDACTED UNDER S.859G OF THE COMPANIES ACT 2006

Name JOANA FRADATA

Address ONE BISHOPS SQUARE
E1 6AD LONDON

Funding 1 Corporate Services Provider

EXECUTED as a **DEED** by)
STRUCTURED FINANCE MANAGEMENT)
LIMITED)
acting by two)
directors/a director and the secretary)

REDACTED UNDER S.859G OF THE COMPANIES ACT 2006

Director

~~Director/~~Secretary

Mortgages Trustee

EXECUTED as a **DEED** by)
FOSSE TRUSTEE (UK) LIMITED)
Per pro SFM Directors Limited as Director)
Per pro SFM Directors (No 2) Limited as Director)

REDACTED UNDER S.859G OF THE COMPANIES ACT 2006

in the presence of

Witness's Signature

Name

Address

Account Bank A and New Funding 1 Secured Creditor

EXECUTED as a **DEED** by)
THE BANK OF NEW YORK MELLON,)
ACTING THROUGH ITS LONDON BRANCH)
acting by its duly authorised signatory)

Witness's signature

Name

Address.

Mortgages Trustee

EXECUTED as a **DEED** by)
FOSSE TRUSTEE (UK) LIMITED)
Per pro SFM Directors Limited as Director)
Per pro SFM Directors (No 2) Limited as Director)

in the presence of

Witness's Signature:

Name

Address

Account Bank A and New Funding 1 Secured Creditor

EXECUTED as a **DEED** by)
THE BANK OF NEW YORK MELLON,)
ACTING THROUGH ITS LONDON BRANCH)
acting by its duly authorised signatory)

REDACTED UNDER S.859G OF THE COMPANIES ACT 2006

REDACTED UNDER S.859G OF THE COMPANIES ACT 2006

Justen Bersin
Authorised Signatory

Witness's signature

Name: Kate Russell

Address. Vice President

The Bank of New York Mellon
One Canada Square
London E14 5AL

APPENDIX 1

Definitions from the Master Definitions and Construction Schedule as referred to in Clause 1.1 of the Sixth Supplemental Funding 1 Deed of Charge

In any agreement, instrument or deed expressly and specifically incorporating by reference the Master Definitions and Construction Schedule, the parties to the Master Definitions and Construction Schedule hereby agree that the following words and expressions shall, unless otherwise defined therein or unless the context otherwise requires, have the following meanings

1881 Act means the Conveyancing and Law of Property Act 1881 of Northern Ireland,

1911 Act means the Conveyancing Act 1911 of Northern Ireland,

1925 Act means the Law of Property Act 1925 of England and Wales,

A Loan Tranches means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class M Notes,

AA Loan Tranches means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class B Notes,

AAA Loan Tranches means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class A Notes,

A Principal Deficiency Sub-Ledger means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any A Loan Tranches,

AA Principal Deficiency Sub-Ledger means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any AA Loan Tranches,

AAA Principal Deficiency Sub-Ledger means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any AAA Loan Tranches or, where the context requires, the comparable ledger for a Further Funding Company,

Accession Agreement has the meaning given to it in the Master Definitions and Construction Schedule,

Account Bank has the same meaning as Funding 1 Account Bank,

Account Bank A means the bank at which the Funding 1 Transaction Account is maintained from time to time, being, as at the date hereof, The Bank of New York Mellon, acting through its London Branch and thereafter such other authorised entity as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee,

Account Bank B means the bank at which the Funding 1 GIC Account is maintained from time to time, being as at the date hereof Santander UK plc (formerly Abbey National plc) situated at 2 Triton Square, Regent's Place, London NW1 3AN and thereafter such other replacement account bank as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee,

Accrued Interest means, in respect of a Mortgage Account on a given date (the **relevant date**), the interest which has accrued but which is not yet due and payable from and including the last regular Monthly Payment Date up to (but excluding) the relevant date,

Adjusted General Reserve Fund Level means the sum of

(a) the amount standing to the credit of the General Reserve Fund, and

(b) the amount (if any) then to be credited in accordance with item 2(b) of the relevant Funding 1 Pre-Acceleration Principal Priority of Payments;

Advance means the aggregate of the amount advanced by the Funding 1 Start-up Loan Provider to Funding 1 on the Initial Closing Date pursuant to the Funding 1 Start-up Loan Agreement dated the Initial Closing Date and the amount advanced by the Funding 1 Start-up Loan Provider or any New Funding 1 Start-up Loan Provider on any Closing Date thereafter pursuant to any New Start-up Loan Agreement, or such part of such amount as shall be outstanding from time to time,

Agent Bank means Citibank, N A , London Branch, acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as agent bank at its specified office or other such person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement,

Agents means the Paying Agents, the Transfer Agent, the Registrar and the Agent Bank,

Alliance & Leicester means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE19 0AL,

Amendment Effective Date has the meaning given in the Funding 1 Swap Agreement,

Annualised CPR means the result of

$$1-\left(\left(1-M\right)^{\wedge}12\right)$$

where "M" is expressed as a percentage and determined as at the most recent Trust Calculation Date as indicated in the definition of Funding 1 Anticipated Cash Accumulation Period,

Arranger means any institution named as such in the Base Prospectus or Final Terms relating to any Series and Class of Notes,

Arrears of Interest means, in respect of a given date, interest and expenses which are due and payable and remain unpaid on that date,

Asset Trigger Event means the event that occurs when an amount is debited to the AAA Principal Deficiency Sub-Ledger of Funding 1 or any Further Funding Company, unless such debit is made when the sum of the amount standing to the credit of the General Reserve Ledger, Liquidity Reserve Ledger (if any) and the Funding 1 Revenue Ledger together with amounts determined and due to be credited to the Funding 1 Revenue Ledger prior to the immediately following Funding 1 Interest Payment Date after such debit is made and the amount available under the Funding 1 Liquidity Facility Agreement (if any), is greater than the amount necessary to pay items (a) to (e) of the Funding 1 Pre-Acceleration Revenue Priority of Payments on the immediately following Funding 1 Interest Payment Date after such debit is made,

Assignment of Insurance Contracts means an assignment of the Insurance Contracts substantially in the form set out in schedule 8 to the Mortgage Sale Agreement,

Assignment of Third Party Rights means an assignment and assignation of Related Security and rights of action against third parties substantially in the form set out in schedule 7 to the Mortgage Sale Agreement,

Auditors means Deloitte LLP of 2 New Street Square, London EC4A 3BZ or such other internationally independent firm of auditors selected from time to time by (in the case of the Mortgages Trustee) the Mortgages Trustee (with the prior written consent of the Funding 1 Security Trustee) or (in the case of Funding 1), Funding 1 (with the prior written consent of the Funding 1 Security Trustee),

Authorised Entity means (a) any entity (i) whose unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 short-term and A long-term (or, if such entity has no short-term rating from S&P, at least A+ long-term) by S&P, (ii) whose short-term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least P-1 by Moody's, and (iii) whose short-term and long-term "Issuer Default Ratings" are at least F1 and A (respectively) by Fitch or (b) any other entity approved in writing by the Funding 1 Security Trustee and/or the Issuer Security Trustee, as applicable, and the Rating Agencies, in each case being an institution (1) incorporated in the United Kingdom or that is the United Kingdom branch of a foreign bank and (2) with a permission under Part IV of the FSMA that includes accepting deposits under the FSMA,

Authorised Investments means

(a) Sterling gilt-edged securities provided that in all cases such investments have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date for the Rated Notes (in relation to any Issuer Bank Account), Funding 1 Interest Payment Date (in relation to any Funding 1 Bank Account) or Distribution Date (in relation to any Mortgages Trustee Bank Account) and having (i) a minimum sovereign long-term rating at least equal to AA- and minimum sovereign short-term rating at least equal to A-1+ by Standard & Poor's and (ii) a minimum sovereign long-term rating at least equal to A1 and minimum sovereign short-term rating at least equal to P-1 by Moody's, and

(b) (excluding deposits made with Eligible Banks pursuant to the Cash Management Agreement and the Eligible Bank Account Agreement) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper) provided that in all cases (i) such investments have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date for the Notes (in relation to any Issuer Bank Account), Funding 1 Interest Payment Date (in relation to any Funding 1 Bank Account) or Distribution Date (in relation to any Mortgages Trustee Bank Account), (ii) 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 equal to A-1+ by Standard & Poor's, the counterparty risk assessment assigned to the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised person under the FSMA) is no less than P-1(cr) by Moody's and the short-term "Issuer Default Rating" 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 at least equal to F1+ by Fitch and the long-term "Issuer Default Rating" 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 at least equal to AA- by Fitch (or such other ratings as may be acceptable to the respective Rating Agencies to maintain the then current ratings of the Rated Notes) and (iii) in relation to any investments made from monies standing to the credit of any Funding 1 Bank Account or any

Mortgages Trustee Bank Account, as applicable, the interest or other return payable on any such investment shall be in an amount not less than the Funding 1 GIC Rate or the Mortgages Trustee GIC Rate, as applicable, for the term of such investment,

and which, in each case, do not consist, in whole or in part, actually or potentially, of tranches of other asset-backed securities, credit-linked notes, swaps or other derivatives instruments or synthetic securities which would result in the recharacterisation of the Programme, the Notes or any transaction under the Transaction Documents as a "re-securitisation" or a "synthetic securitisation" as defined in Articles 4(63) and 242(11), respectively, of Regulation (EU) No 575/2013 (as amended and/or supplemented from time to time),

Authorised Signatory means, in respect of any document or agreement to be signed by any person in any capacity under the Transaction Documents, the person authorised by the board of directors of that person to sign that document or agreement,

BACS means the Bankers' Automated Clearing Service as amended from time to time or any scheme replacing the same,

Bank Account Agreement means the Funding 1 Bank Account Agreement, the Mortgages Trustee Bank Account Agreement or the Issuer Bank Account Agreement, as the context may require,

Bank of England Base Rate means the Bank of England's official dealing rate (the repo rate) as set by the UK Monetary Policy Committee,

Base Prospectus means, in relation to the Notes, the base prospectus of the Issuer relating to the establishment of the Programme, as updated from time to time, and as supplemented by any supplementary prospectus,

Base Rate-Linked Rate means a variable rate of interest that applies to the Base Rate Loans in the Portfolio that is a margin (expressed as a percentage figure) above and/or equal to and/or below the Bank of England Base Rate,

Base Rate Loan means those Loans to the extent that and for such period that their Mortgage Terms provide that they are subject to the Base Rate-Linked Rate,

Base Rate Tracker Swap Rate means a rate linked to the Bank of England repo rate, as shall be determined by the Cash Manager in accordance with the provisions of the Cash Management Agreement,

Basket Swap Rate has the meaning given in the Funding 1 Swap Agreement,

BB Loan Tranches means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class D Notes,

BBB Loan Tranches means the Loan Tranches made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any series of Class C Notes,

BB Principal Deficiency Sub-Ledger means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any BB Loan Tranches,

BBB Principal Deficiency Sub-Ledger means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any BBB Loan Tranches;

Beneficiaries means the Funding Companies and the Seller, as beneficiaries of the Mortgages Trust,

Borrower means, in relation to a Loan, the individual or individuals specified as such in the relevant Mortgage Terms together with the individual or individuals (if any) from time to time assuming an obligation to repay such Loan or any part of it,

Buildings Policies means

(a) all buildings insurance policies relating to freehold or heritable Properties which have been taken out in the name of the relevant Borrower in accordance with the applicable Mortgage Terms, and

(b) all landlord's buildings insurance policies relating to leasehold Properties including Properties in Scotland held under a long lease,

Bullet Accumulation Liability means, on any Funding 1 Interest Payment Date prior to any payment under item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments, the aggregate of each Relevant Accumulation Amount at that time of each Bullet Loan Tranche which is within a Cash Accumulation Period,

Bullet Accumulation Shortfall means, at any time, the amount by which the Cash Accumulation Ledger Amount is less than the Bullet Accumulation Liability,

Bullet Loan Tranche means any Funding 1 Loan Tranche which is scheduled to be repaid in full on one Funding 1 Interest Payment Date (being the Scheduled Repayment Date) A Bullet Loan Tranche shall be deemed to be a Pass-Through Loan Tranche if a Pass-Through Trigger Event occurs,

Business Day means a day that is a London Business Day, a New York Business Day and a TARGET Business Day,

Calendar Year means a year from the beginning of 1st January to the end of 31st December,

Capitalised Arrears means, in relation to a Loan at any date (the **determination date**), the amount (if any) at such date of any interest In Arrears in respect of which, at the determination date, each of the following conditions have been satisfied

(a) the Seller has, by arrangement with the relevant Borrower, agreed to capitalise such interest In Arrears, and

(b) such interest In Arrears has been capitalised and added, in the accounts of the Seller (or, if the determination date occurs after the Initial Closing Date, the Mortgages Trustee), to the principal amount outstanding in respect of such Loan,

Capped Loan Tranche has the meaning given in paragraph 4 of Part 2 of schedule 4 to the Funding 1 Deed of Charge,

Cash Accumulation Ledger means the separate ledger established and maintained by the Cash Manager pursuant to the Cash Management Agreement to record the amount accumulated by each Funding Company from time to time to pay the Relevant Accumulation Amounts,

Cash Accumulation Ledger Amount means, at any time, the amount standing to the credit of the Cash Accumulation Ledger at that time (immediately prior to any drawing to be applied on that Funding 1 Interest Payment Date and prior to any payment under item (h) in Base of the Funding 1 Pre-Acceleration Principal Priority of Payments),

Cash Accumulation Liability means, on any Funding 1 Interest Payment Date, prior to any payment under item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments, the sum of

(a) the Bullet Accumulation Liability at that time, and

(b) the aggregate of each Relevant Accumulation Amount at that time of each Scheduled Amortisation Instalment which is within a Cash Accumulation Period,

Cash Accumulation Loan Tranche means a Bullet Loan Tranche and/or a Scheduled Amortisation Instalment,

Cash Accumulation Period means the Funding 1 Cash Accumulation Period and/or each Further Funding Company Cash Accumulation Period,

Cash Accumulation Requirement means, on a Trust Calculation Date in relation to a Funding Company

(a) the principal amount remaining to be repaid in relation to each Relevant Accumulation Amount due to that Funding Company,

(b) plus, on a Trust Calculation Date falling immediately prior to a Funding Company Interest Payment Date, amounts due and payable by that Funding Company on the following Funding Company Interest Payment Date (or which will become due and payable in the current Funding Company Interest Period) in priority to principal amounts due by that Funding Company on the Relevant Accumulation Amount under the pre-acceleration principal priority(s) of payments relevant to that Funding Company (e g in relation to Funding 1, see items (a)-(c) inclusive of the Funding 1 Pre-Acceleration Principal Priority of Payments),

(c) plus, on a Trust Calculation Date falling immediately prior to a Funding Company Interest Payment Date, the amount of Principal that will be required on the following Funding Company Interest Payment Date to meet the Funding Company Revenue Deficit Amount (if any) in respect of that Funding Company,

(d) less the amount standing to the credit of the Cash Accumulation Ledger of the relevant Funding Company at the last Funding Company Interest Payment Date (which amount was not distributed on that Funding Company Interest Payment Date and which is available to reduce the relevant Cash Accumulation Requirement),

(e) less the sum of each relevant Cash Accumulation Requirement amount paid to the relevant Funding Company on a previous Distribution Date during the relevant Funding Company Interest Period,

Cash Accumulation Shortfall means, at any time, that the Cash Accumulation Ledger Amount is less than the Cash Accumulation Liability,

Cash Management Agreement means the cash management agreement entered into on the Initial Closing Date between the Cash Manager, the Mortgages Trustee, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Cash Management Services means the cash management services set out in the Cash Management Agreement,

Cash Manager means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK acting, pursuant to the Cash Management Agreement, as agent for the Mortgages Trustee, the Funding Companies and the Funding Security Trustees to, *inter alia*, manage all cash transactions and maintain certain ledgers on behalf of the Mortgages Trustee, the Funding Companies and the Funding Security Trustees (which expression shall include such other person as may be appointed from time to time as Cash Manager pursuant to the Cash Management Agreement),

Cash Manager Termination Event has the meaning given in clause 12 1 of the Cash Management Agreement,

Cash Withdrawal means a cash withdrawal made by a Borrower in the amount of all or part of the accrued Overpayments,

CCA means the Consumer Credit Act 1974 (as amended from time to time),

CCA Mortgages means any Loans and their Related Security in the Initial Portfolio or any New Portfolio (and each Product Switch and Further Advance made in respect thereof) which in respect of the English Loans are regulated by the CCA and documented on the following forms

(a) A&L Regulated Mortgage Conditions 1997 (England & Wales) - 1500107 G385 EW 6-00 (pdf),

(b) A&L Regulated Mortgage Conditions 2002 (England & Wales) -1500520 E-W 10-02 (pdf) - this document was provided with the 1997 documents,

(c) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 3-98 EW (pdf),

(d) Credit Agreement (Second Copy) - linked to the 1997 conditions - CCA I02 3-98 EW (pdf),

(e) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R2 3-98 EW (pdf),

(f) Running Account Credit Facility (Advance Copy) - B7 - 1998 – 2 Yr FTB BRT Flexible RACA 9 99 (E&W) (Word document),

(g) Running Account Credit Facility (Advance Copy) - B7a - 1998 - 3 Yr Discount Flexible RACA 9 99 (E&W) (Word document),

(h) Credit Agreement (Advance Copy) - B4 - 2002 RACA 1 (pdf),

(i) Credit Agreement (Second Copy) - B4 - 2002 RACA 2 (pdf), and

(j) A&L Mortgage Conditions 2002 (England & Wales),

and in respect of the Scottish Loans and Northern Irish Loans which are stated to be regulated by the CCA and documented on the following forms

(a) A&L Regulated Mortgage Conditions 1997 (Scotland) - 1500110 SCO 6-00 (pdf),

(b) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 3-98 S (pdf),

(c) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R1 3-98 S (pdf),

(d) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 3-98 S (pdf),

(e) A&L Regulated Mortgage Conditions 2002 (Scotland) - 1500523 Sco 10-02 (pdf),

(f) A&L Regulated Mortgage Conditions 1997 (Northern Ireland) - 1500111 NI 6-00 (pdf),

(g) A&L Regulated Mortgage Conditions 2002 (Northern Ireland) -1500522 NI 10-02 (pdf),

(h) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R26-98 NI (pdf),

(i) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA R1 6-98 NI (pdf),

(j) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I02 6-98 NI (pdf),

(k) Credit Agreement (Advance Copy) - linked to the 1997 conditions - CCA I01 6-98 NI (pdf), and

(l) Mortgage Trust Deed (Regulated Loan) - linked to the conditions to which it applies –G3585 NI (6/00),

CCA Mortgages Trust has the meaning given to it in clause 2 5 of the Mortgage Sale Agreement,

Certificate of Title means a solicitor's, licensed conveyancer's or (in Scotland) qualified conveyancer's report or certificate of title obtained, in relation to Loans which are not advanced as part of the Seller's Mortgage Transfer Service, by or on behalf of the Seller in respect of each Property substantially in the form of the pro-forma set out in the Standard Documentation,

Class means, with respect to the Notes, any of the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes,

Class A Notes means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms,

Class B Notes means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms,

Class C Notes means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms,

Class D Notes means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms,

Class M Notes means the Notes of a Series designated as such (or a sub-class of such) in the applicable Final Terms,

Class Z Notes means the Notes designated as such in the applicable Final Terms (including, for the avoidance of doubt, the Class Z Variable Funding Notes),

Class Z Variable Funding Notes means the Class Z Notes designated as such in the applicable Final Terms,

Clearing Agency means an agency registered under the provisions of section 17A of the United States Securities Exchange Act of 1934,

Clearing Corporation means a "Clearing corporation" within the meaning of the New York Uniform Commercial Code,

Clearstream, Luxembourg means Clearstream Banking, société anonyme,

Closing Date has the meaning given to it in the applicable Final Terms,

CMA means the Competition and Markets Authority,

Code means the U S Internal Revenue Code of 1986,

Collection Accounts means the collection accounts in the name of the Seller which are from time to time used for the purpose of collecting, directly or indirectly, on a daily basis, monies due in respect of the Loans and/or the Related Security forming part of the Trust Property and which will be transferred by the Servicer to the Mortgages Trustee GIC Account on the next London Business Day,

Completion means the completion of the sale and purchase of the relevant Portfolio pursuant to and in accordance with clause 3 or 4 (as applicable) of the Mortgage Sale Agreement,

Conditions means the terms and conditions of the Notes or any New Notes (as applicable),

Contribution means a contribution of certain assets made by a Beneficiary to the Mortgages Trustee from time to time by way of an Initial Contribution, a Deferred Contribution, a Refinancing Contribution, a Further Contribution or a Seller Contribution,

Contributions Ledger means the ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement in order to record Contributions made to the Mortgages Trustee pursuant to the Mortgages Trust Deed,

Controlling Beneficiary Deed means the controlling beneficiary deed entered into on the Initial Closing Date between Funding 1, the Funding 1 Security Trustee and the Seller to which any Further Funding Company and any Further Funding Security Trustee will accede at the time that such Further Funding Company becomes a Beneficiary of the Mortgages Trust (as the same may be amended, restated, supplemented, replaced and/or novated from time to time),

Controlling Directions has the meaning given in the Controlling Beneficiary Deed,

Convention means the Modified Following Business Day Convention as defined in the 2000 ISDA Definitions published by the International Swaps and Derivatives Associations,

Corporate Services Agreements means the Funding 1 Corporate Services Agreement, the Issuer Corporate Services Agreement, the Mortgages Trustee Corporate Services Agreement, the PECOH Corporate Services Agreement and/or any corporate services agreement entered into between New Issuers and/or Further Funding Companies and the relevant corporate services provider,

Corporate Services Provider means, collectively, the Mortgages Trustee Corporate Services Provider, the Funding 1 Corporate Services Provider, the PECOH Corporate Services Provider and the Issuer Corporate Services Provider,

CPR means, on any Trust Calculation Date, the annualised principal repayment rate of all the Loans comprised in the Trust Property during the previous Trust Calculation Period calculated as follows

$$1-((1-R)\wedge 12)$$

where "**R**" equals the result (expressed as a percentage) of the total Principal Receipts received during the period of one month (or, if shorter, from and including the Closing Date) ending on that

Trust Calculation Date divided by the aggregate Outstanding Principal Balance of the Loans comprised in the Trust Property as at the first day of that period,

Current Balance means, in relation to a Loan at any given date, the aggregate (without double counting) of the Outstanding Principal Balance, Accrued Interest and other amounts In Arrears relating to that Loan as at that date,

Customer Files means the file or files relating to each Loan containing, *inter alia*

(a) all material correspondence relating to that Loan, and

(b) the completed mortgage documentation applicable to the Loan (other than the Title Deeds) including the Valuation Report and, in relation to Loans which are not advanced as part of the Seller's Mortgage Transfer Service, the solicitor's or licensed conveyancer's (or, in Scotland, qualified conveyancer's) Certificate of Title,

whether original documentation, electronic form or otherwise or information provided by such documentation stored on an electronic database,

Data Controller means the Mortgages Trustee,

Data Processor means the Servicer,

Data Subject has the same meanings as assigned to that term in the Data Protection Act 1998,

D.D. Date means the date of delivery to the Mortgages Trustee Account Bank or BACS (as the case may be) of such instructions as may be necessary from time to time for the debit of a Borrower's account in respect of which there is a direct debit mandate,

Dealers means the institutions specified as such in the Final Terms relating to any Series and Class of Notes,

Deed of Accession means a form of deed of accession to the Funding 1 Deed of Charge substantially in the form set out in schedule 3 to the Funding 1 Deed of Charge,

Deed of Consent means a deed whereby a person in or intended to be in occupation of a Property situated in England and Wales or Northern Ireland agrees with the Seller to postpone his or her interest (if any) in the Property so that it ranks after the interest created by the relevant Mortgage,

Deed of Postponement means a deed or agreement whereby a mortgagee of or the heritable creditor in relation to a Property agrees with the Seller to postpone its mortgage or standard security (as applicable) over the Property so that the sums secured by it will rank for repayment after the sums secured by the relevant Mortgage,

Deferred Contribution means a Contribution by way of cash payable pursuant to the terms of the Mortgages Trust Deed, by a Funding Company and in respect of the share of that Funding Company in the Trust Property for the purposes of enabling the Mortgages Trustee to fund the payment of the Deferred Purchase Price owed by the Mortgages Trustee, pursuant to the terms of the Mortgage Sale Agreement, to the Seller in respect of the Portfolio,

Deferred Distribution Date means each date that the Mortgages Trustee receives the payment of a Deferred Contribution,

Deferred Purchase Price means, on any Funding 1 Interest Payment Date, an amount equal to any Deferred Contributions made by a Funding Company to the Mortgages Trustee in accordance with the terms of the Mortgages Trust Deed,

Dematerialised Loan means a Loan completed after 13 October 2003 in relation to which the Seller does not retain Title Deeds,

Differential Rate means the applicable margin above or below, in relation to a Variable Rate Loan, the applicable Variable Rate and, in relation to a Base Rate Loan, the Bank of England Base Rate,

Direct Debiting Scheme means the scheme for the manual or automated debiting of bank accounts operated in accordance with the detailed rules of the scheme maintained by BACS,

Discount Loans means those Variable Rate Loans that allow the Borrower to pay interest at a specified discount to the relevant Variable Rate for a certain period,

Discount Rate Period means the period of time during which a Discount Loan is subject to a rate of interest at a specified discount to the applicable Variable Rate,

Distribution Date means the day falling four London Business Days after each Trust Calculation Date, being the date that the Mortgages Trustee will distribute Principal Receipts and Revenue Receipts to the Beneficiaries,

Double Taxation Treaty means any convention between the government of the United Kingdom and any other government for the avoidance of double taxation,

Drawdown Date means the date on which a Loan Tranche under the Intercompany Loan Agreement is made to Funding 1 by the Issuer as specified in the relevant Loan Tranche Notice,

DTC means The Depository Trust Company,

Early Repayment Charges means any fee which a Borrower is required to pay in the event that his or her Loan becomes repayable for any mandatory reason or the Borrower repays all or any part of the relevant Loan before a specified date,

Eligible Bank means an Authorised Entity (which, for the avoidance of doubt, shall be an institution incorporated in the United Kingdom or that is the United Kingdom branch of a foreign bank) selected by the Cash Manager from a panel of banks in accordance with the Panel Bank Guidelines, for the purposes of depositing amounts standing to the credit of the Funding 1 Transaction Account subject to and in accordance with the terms of the Funding 1 Bank Account Agreement and the Cash Management Agreement,

Eligible Bank Account means an account in the name of Funding 1 held with an Eligible Bank subject to and in accordance with the terms of the Funding 1 Bank Account Agreement and the Cash Management Agreement, provided, that, for the avoidance of doubt, the Funding 1 GIC Account is not an Eligible Bank Account,

Eligible Bank Account Agreement means a bank account agreement substantially in the form set out in schedule 5 to the Cash Management Agreement and entered into between an Eligible Bank and the Bank of New York Mellon, London Branch,

Eligible Bank Ledger means a ledger established and maintained by the Cash Manager in the books of Funding 1 for the purpose of recording amounts deposited with Eligible Banks from time to time,

Eligible Bank Terms and Conditions means the terms and conditions named "Third Party Deposit Placement Services Terms and Conditions" entered into on 29 August 2013 between Funding 1, Santander UK and The Bank of New York Mellon, acting through its London Branch,

Eligible General Reserve Fund Principal Repayments means

(a) prior to the occurrence of a Trigger Event

(i) repayments of principal which are then due and payable in respect of Original Bullet Loan Tranches, and

(ii) repayments of principal in respect of Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only, and

(b) on or after the occurrence of a Non-Asset Trigger Event or an Asset Trigger Event, repayments of principal in respect of Original Bullet Loan Tranches and Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only,

in each case prior to the service of an Intercompany Loan Acceleration Notice on Funding 1,

Eligible Liquidity Reserve Fund Principal Repayments means

(i) prior to the occurrence of a Trigger Event

(a) repayments of principal which are then due and payable in respect of the Original Bullet Loan Tranches, and

(b) repayments of principal in respect of Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only, and

(ii) on or after the occurrence of a Trigger Event, repayments of principal in respect of Original Bullet Loan Tranches and Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only,

EMIR means European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation,

Encumbrance has the same meaning as **Security Interest**,

Enforcement Procedures means the procedures for the enforcement of Mortgages undertaken by the Servicer from time to time in accordance with the Seller's Policy,

English Loan means a Loan which is secured by an English Mortgage,

English Mortgage means a Mortgage secured over a Property in England or Wales,

Euroclear means Euroclear Bank S A /N V or the successor for the time being to such business,

Exchange Act means the United States Securities Exchange Act of 1934, as amended,

Excluded Further Advance means all Loans subject of a Further Advance that are or are to be repurchased (including, for the avoidance of doubt, the relevant Further Advance) by the Seller pursuant to clause 8 4(f) of the Mortgage Sale Agreement,

Excluded Further Advance Notice means a notice from the Seller to the Mortgages Trustee pursuant to clause 8 4(f) of the Mortgage Sale Agreement in the form set out in schedule 20 to the Mortgage Sale Agreement,

Excluded Product Switch means all Loans subject of a Product Switch that are or are to be repurchased by the Seller pursuant to clause 8 4(g) of the Mortgage Sale Agreement,

Excluded Product Switch Notice means a notice from the Seller to the Mortgages Trustee pursuant to clause 8.4(g) of the Mortgage Sale Agreement in the form set out in schedule 21 to the Mortgage Sale Agreement,

Extraordinary Resolution has the meaning given in the relevant Note Trust Deed,

FATCA Withholding means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement),

FCA means the Financial Conduct Authority of the United Kingdom (previously known as the Financial Services Authority until 1 April 2013) or such successor or replacement authority,

FCA Rules means the rules made by the FCA under the FSMA,

Final Maturity Date means, in respect of a Series and Class of Notes, the date specified as such for such Series and Class of Notes in the Final Terms,

Final Repayment Date means, in relation to a Loan Tranche, the date specified as such in the related Loan Tranche Supplement and applicable Final Terms,

Final Terms means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes giving details of, *inter alia*, the amount and price of such Series of Notes and which forms part of the Base Prospectus in relation to such Series of Notes,

Fitch means Fitch Ratings Limited and any successor to its ratings business,

Fitch Conditions means, collectively, that on the relevant Sale Date

(i) the original weighted average LTV (calculated in the manner agreed with Fitch from time to time) of the Loans in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, cannot be more than the original weighted average LTV at the most recent Closing Date plus the "**original weighted average LTV margin**", as specified in the most recent Final Terms The Outstanding Principal Balance (for Flexible Loans, the maximum drawable amount) and the property valuation at the relevant origination date, in each case in respect of such Loan, shall be used in the calculation of original weighted average LTV,

(ii) the current weighted average LTV (calculated in the manner agreed with Fitch from time to time) of the Loans in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, not taking into account any indexation, cannot be more than the current weighted average LTV at the most recent Closing Date plus the "**current weighted average LTV margin**", as specified in the most recent Final Terms The Outstanding Principal Balance (for Flexible Loans, the maximum drawable amount) and the

most recent property valuation at the relevant Sale Date, in each case in respect of such Loan, shall be used in the calculation of current weighted average LTV,

(iii) the weighted average income multiple (calculated in the manner agreed with Fitch from time to time) of the Loans in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, cannot be more than the "**current weighted average income multiple threshold**", as specified in the most recent Final Terms, and

(iv) the proportion of Loans with an original LTV (calculated in the manner agreed with Fitch from time to time) higher than 80% in the Trust Property, including the Loans to be sold to the Mortgages Trustee on the relevant Sale Date, cannot be more than the proportion of loans with an original LTV higher than 80% at the most recent Closing Date plus the "**original LTV margin**", as specified in the most recent Final Terms,

as the same may be amended by Fitch from time to time,

Fixed Rate Loan Balance has the meaning given in the Funding 1 Swap Agreement,

Fixed Rate Loans means those Loans to the extent that and for such time that the interest rate payable by the Borrower on all or part of the Outstanding Principal Balance does not vary and is fixed for a certain period of time by the Seller,

Fixed Rate Period means the period of time during which a Fixed Rate Loan is subject to a specified fixed rate of interest,

Fixed Rate Spread has the meaning given in the Funding 1 Swap Agreement,

Flexible Draw Capacity has the meaning given in clause 12 2 of the Mortgages Trust Deed,

Flexible Loans means a type of Loan product that may, *inter alia*, incorporate features that give the Borrower the option to make Overpayments and, from the credit accumulated on the flexible facility by virtue of such Overpayments, make Underpayments or take Payment Holidays or make Cash Withdrawals,

FSMA 2000 or **FSMA** means the Financial Services and Markets Act 2000 (as amended from time to time),

Funding 1 means Fosse Funding (No 1) Limited (registered number 5925696), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Funding 1 Account Bank means each bank at which the Funding 1 Bank Accounts are maintained from time to time (being, as at the date hereof, in the case of Account Bank B, Santander UK plc acting through its offices at Carlton 2 Triton Square, Regent's Place, London NW1 3AN, and, in the case of Account Bank A, The Bank Of New York Mellon, acting through its London Branch, whose principal office is at 40th Floor, One Canada Square, London E14 5AL, and, thereafter, such other replacement account bank as Funding 1 may choose with the prior written approval of the Funding 1 Security Trustee in accordance with the Funding 1 Bank Account Agreement),

Funding 1 Account Bank Ratings means (i) unsecured, unsubordinated and unguaranteed debt obligations ratings of at least A-1 short-term and A long-term (or, if the Funding 1 Account Bank has no short-term rating from Standard & Poor's, at least A+ long-term by Standard & Poor's, (ii) a counterparty risk assessment by Moody's of at least P-2(cr) (or, if a counterparty risk assessment is not available, short-term, unsecured, unsubordinated and unguaranteed debt obligation ratings of at

least P-2 by Moody's and (iii) short-term and long-term "Issuer Default Ratings" of at least F1 and A (respectively) by Fitch,

Funding 1 Accounts has the same meaning as Funding 1 Bank Accounts,

Funding 1 Agreements means each of the Transaction Documents to which Funding 1 is a party (as the same may be amended, restated, novated, varied and/or supplemented from time to time) including (but not limited to) the Master Definitions and Construction Schedule, the Servicing Agreement, the Mortgages Trust Deed, the Controlling Beneficiary Deed, the Funding 1 Deed of Charge, the Funding 1 Swap Agreement, the Funding 1 Corporate Services Agreement, the Intercompany Loan Agreement, the Cash Management Agreement, the Funding 1 Bank Account Agreement, the Funding 1 Start-up Loan Agreements, the Mortgages Trustee Bank Account Agreement, the Servicing Agreement, the Mortgage Sale Agreement, each Scottish Declaration of Trust, the Seller Power of Attorney, the Funding 1 Security Power of Attorney and all other agreements referred to therein or otherwise referred to as "Funding 1 Agreements" in each Deed of Accession entered into by, *inter alios*, Funding 1 and the Funding 1 Security Trustee, from time to time,

Funding 1 Anticipated Cash Accumulation Period means, on any Trust Calculation Date, the anticipated number of months required by Funding 1 to accumulate sufficient Principal Receipts to pay the Relevant Accumulation Amount of Funding 1 in relation to the relevant Cash Accumulation Loan Tranche made to Funding 1, which will be equal to

$$\frac{J+K-L}{M \times N \times O}$$

calculated in months and rounded up to the nearest whole number, where

J = the Relevant Accumulation Amount,

K = the aggregate Outstanding Principal Amount on that Trust Calculation Date of

- each Cash Accumulation Loan Tranche made to Funding 1 that was not fully repaid on its Scheduled Repayment Date, and
- each other Cash Accumulation Loan Tranche made to Funding 1, the Scheduled Repayment Date of which falls on or before the Scheduled Repayment Date of the Relevant Accumulation Amount,

L = the amount of any available cash already standing to the credit of the Cash Accumulation Ledger of Funding 1 at the start of that Funding 1 Interest Period (which is available to pay the Relevant Accumulation Amount) plus the aggregate amount of Cash Accumulation Requirement paid to Funding 1 since the previous Funding 1 Interest Payment Date,

M = means the sum of each Monthly CPR on the 12 most recent Trust Calculation Dates which have occurred prior to that date divided by 12,

N = 0 85, and

O = the aggregate Current Balance of the Loans comprising the Trust Property on the previous Trust Calculation Date in respect of the previous Trust Calculation Period (or if applicable the Initial Closing Date),

Funding 1 Available Principal Receipts means, on the applicable Funding 1 Calculation Date, an amount equal to the sum of

(a) all Mortgages Trust Available Principal Receipts received by Funding 1 during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date,

(b) all other Funding 1 Principal Receipts standing to the credit of the Cash Accumulation Ledger which are to be applied on the next Funding 1 Interest Payment Date to repay a Bullet Loan Tranche and/or, subject to Rule 1 as set out in paragraph 3 of Part 2 of schedule 4 to the Funding 1 Deed of Charge, a Scheduled Amortisation Instalment, or to make a payment under items (a) and (b) of the Funding 1 Pre-Acceleration Principal Priority of Payments and, if such Funding 1 Interest Payment Date occurs on or after a Trigger Event, the remainder of such receipts standing to the credit of the Cash Accumulation Ledger,

(c) the amount (if any) to be credited to the Funding 1 Principal Deficiency Ledger pursuant to the terms of the Funding 1 Pre-Acceleration Revenue Priority of Payments on the relevant Funding 1 Interest Payment Date,

(d) in so far as available for and needed to make Eligible General Reserve Fund Principal Repayments, the amount that would then be standing to the credit of the General Reserve Ledger on the relevant Funding 1 Interest Payment Date, less any amounts applied or to be applied on the relevant Funding 1 Interest Payment Date in payment of interest and other revenue expenses as set out in paragraphs (a) to (e) inclusive, (g), (j), (l) and (n) of the Funding 1 Pre-Acceleration Revenue Priority of Payments, plus any amounts which will be credited to the General Reserve Ledger under item (b) of the relevant Funding 1 Pre-Acceleration Principal Priority of Payments on the next Funding 1 Interest Payment Date (i e occurring at the end of such period of four business days),

(e) in so far as available for and needed to make Eligible Liquidity Reserve Fund Principal Repayments, the amount that would then be standing to the credit of the Liquidity Reserve Ledger on the relevant Funding 1 Interest Payment Date, less any amounts applied or to be applied on the relevant Funding 1 Interest Payment Date in payment of interest and other revenue expenses as set out in paragraphs (a) to (g) of the Funding 1 Pre-Acceleration Revenue Priority of Payments plus any amounts which will be credited to the Liquidity Reserve Ledger under item (c) of the relevant Funding 1 Pre-Acceleration Principal Priority of Payments on the next Funding 1 Interest Payment Date (i e occurring at the end of such period of four business days), and

(f) any amount available to be drawn under the Funding 1 Liquidity Facility (if established) to make a Funding 1 Liquidity Facility Principal Payment (as agreed under the terms of the Funding 1 Liquidity Facility Agreement),

less amount to be applied on the relevant Funding 1 Interest Payment Date to pay items (a) to (e) (inclusive), (g), (j), (l) and (n) of the Funding 1 Pre-Acceleration Revenue Priority of Payments,

provided that Non Bullet Funding 1 Principal Amounts which cannot be withdrawn from the Santander A-2/P-2/F2 Account (including, without limitation, in the event of a moratorium on the insolvency, bank insolvency, administration or bank administration of Santander UK or it being unable to pay these amounts) shall cease to constitute Funding 1 Available Principal Receipts,

Funding 1 Available Revenue Receipts means, on each Funding 1 Interest Payment Date, an amount calculated on the applicable Funding 1 Calculation Date equal to the sum of

(a) all Mortgages Trust Available Revenue Receipts distributed or to be distributed to Funding 1 during the Funding 1 Interest Period ending on the Funding 1 Interest Payment Date,

(b) other net income of Funding 1 (including all amounts of interest received on the Funding 1 GIC Account, the Funding 1 Transaction Account and/or Authorised Investments and amounts received by Funding 1 under the Funding 1 Swap Agreement (other than any early termination amount received by Funding 1 under the Funding 1 Swap Agreement), in each case to be received during the Funding 1 Interest Period ending on the Funding 1 Interest Payment Date,

(c) any amounts standing to the credit of the General Reserve Ledger in excess of the General Reserve Required Amount as a result of a reduction in the General Reserve Required Amount,

(d) without double counting with the excess amounts referred to in paragraph (c) above, the amounts then standing to the credit of the General Reserve Ledger, subject to any limits or conditions on the purposes for which the General Reserve Fund may be utilised as set out in the Funding 1 Deed of Charge,

(e) if a Liquidity Reserve Fund Rating Event has occurred and is continuing, and there are no amounts standing to the credit of the General Reserve Ledger, the amounts then standing to the credit of the Liquidity Reserve Ledger and available to be drawn to the extent necessary to pay the items in paragraphs (a) to (g) in the Funding 1 Pre-Acceleration Revenue Priority of Payments,

(f) if a Liquidity Reserve Fund Rating Event has occurred but is no longer continuing due to an increase in the Seller's rating since the preceding Funding 1 Interest Payment Date, and Funding 1 elects to terminate the Liquidity Reserve Fund, all amounts standing to the credit of the Liquidity Reserve Ledger,

(g) any amounts standing to the credit of the Liquidity Reserve Ledger in excess of the Liquidity Reserve Fund Required Amount as a result of a reduction in the Liquidity Reserve Fund Required Amount,

(h) any amount available to be drawn by Funding 1 under the Funding 1 Liquidity Facility (if established) for payment of any amounts other than Funding 1 Liquidity Facility Principal Payments or Funding 1 Liquidity Facility Subordinated Amounts (as agreed under the terms of the Funding 1 Liquidity Facility Agreement), and

(i) (only to the extent required after making the calculation set out in clause 1 1 of Part 1 schedule 4 to the Funding 1 Deed of Charge) the aggregate of all Funding 1 Principal Receipts (if any) which are to be applied on the relevant Funding 1 Interest Payment Date to pay up to the applicable limits items (a) to (e) inclusive, (g), (j), (l) and (n) in the Funding 1 Pre-Acceleration Revenue Priority of Payments,

provided that amounts of interest accrued in respect of Non Bullet Funding 1 Principal Amounts which cannot be withdrawn from the Santander A-2/P-2/F2 Account (including, without limitation, in the event of a moratorium on the insolvency, bank insolvency, administration or bank administration of Santander UK or it being unable to pay these amounts) shall cease to constitute Funding 1 Available Revenue Receipts

The definition of Funding 1 Available Revenue Receipts does not include

(a) any Refinancing Contribution which is applied to reduce the Funding 1 Share during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date, and

(b) the proceeds of any New Intercompany Loan received by Funding 1 during the Funding 1 Interest Period ending on the relevant Funding 1 Interest Payment Date,

Funding 1 Bank Account Agreement means the agreement entered into on 23 November 2009 between Santander UK plc in its capacity then as Funding 1 Account Bank, Funding 1, the Cash Manager and the Funding 1 Security Trustee as amended and restated on 1 August 2007 and 20 December 2009, as amended on 23 November 2009, as further amended and restated on 11 March 2010, 21 April 2011, 6 December 2011, 27 April 2012, 19 August 2013, 9 October 2014 and as further amended and restated on the date hereof, which governs the operation of the Funding 1 Bank Accounts (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Funding 1 Bank Accounts means the Funding 1 GIC Account, any Funding 1 Collateral Account(s) and the Funding 1 Transaction Account (including the Santander A-2/P-2/F2 Account) and such other bank account(s) held in the name of Funding 1 with the approval of the Funding 1 Security Trustee from time to time,

Funding 1 Calculation Date means the day falling four Business Days prior to each Funding 1 Interest Payment Date,

Funding 1 Cash Accumulation Period (in respect of a Scheduled Amortisation Loan Tranche) means three months and (in respect of a Bullet Loan Tranche) means the period of time beginning on the earlier of the following two dates

(a) the date determined after counting back in time from the relevant Scheduled Repayment Date of the Relevant Accumulation Amount, the number of months calculated under the definition of the Funding 1 Anticipated Cash Accumulation Period, and

(b) the date determined after counting back in time from the relevant Scheduled Repayment Date of the Relevant Accumulation Amount, the Funding 1 Minimum Cash Accumulation Period,

PROVIDED THAT, if the beginning of a Cash Accumulation Period as determined above would fall on a date which is not a Distribution Date, then the Cash Accumulation Period shall commence on the Distribution Date falling immediately before that date A Cash Accumulation Period shall end in respect of a Relevant Accumulation Amount when Funding 1 has accumulated an amount equal to that particular Relevant Accumulation Amount,

Funding 1 Charged Property means the property charged by Funding 1 under and pursuant to the Funding 1 Deed of Charge (and any amendment or supplement thereto),

Funding 1 Collateral Account means the collateral account in the name of Funding 1 held at the Funding 1 Account Bank,

Funding 1 Corporate Services Agreement means the agreement dated the Initial Closing Date between the Funding 1 Corporate Services Provider, Funding 1, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the Funding 1 Corporate Services Provider of certain corporate services and personnel to Funding 1 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Funding 1 Corporate Services Fee Letter means the letter dated the date of the Funding 1 Corporate Services Agreement between, *inter alios*, Funding 1, the Funding 1 Security Trustee and the Funding 1 Corporate Services Provider, setting out the amount of fees payable to the Funding 1 Corporate Services Provider by Funding 1,

Funding 1 Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to Funding 1 under the Funding 1 Corporate Services Agreement,

Funding 1 Deed of Charge means the deed of charge entered into on the Initial Closing Date between Funding 1, the Issuer, the Funding 1 Account Bank, the Seller, the Mortgages Trustee, the Cash Manager, the Funding 1 Swap Provider, the Corporate Services Provider, the Funding 1 Start-Up Loan Provider and the Funding 1 Security Trustee and each Deed of Accession entered into pursuant thereto, as the same may be supplemented, amended, restated and/or varied from time to time,

Funding 1 Determination Date means the Funding 1 Interest Payment Date on which the relevant Funding 1 Interest Period commences or, in the case of the first Funding 1 Interest Period, the Initial Closing Date,

Funding 1 GIC Account means the account in the name of Funding 1 (sort code 72-01-00) held at Account Bank B and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such additional or replacement account as may for the time being be in place with the prior consent of the Funding 1 Security Trustee,

Funding 1 GIC Account Mandate means the bank account mandate between Funding 1 and Account Bank B relating to the operation of the Funding 1 GIC Account,

Funding 1 GIC Balance means, on any day during a Funding 1 Interest Period, the amount standing to the credit of the Funding 1 GIC Account as at the opening of business on such day,

Funding 1 GIC Rate means, whilst Santander UK plc (in its capacity as Account Bank B) maintains the Funding 1 GIC Account, a variable rate of 0 10 per cent per annum below LIBOR for three-month Sterling deposits and thereafter, if Santander UK plc no longer maintains the Funding 1 GIC Account, such other rate as Funding 1 is reasonably able to obtain provided such rate does not cause a downgrade of the then current Rating of the Notes,

Funding 1 Interest Payment Date means, in respect of a Loan Tranche, the Quarter Dates specified in the applicable Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day),

Funding 1 Interest Period means, in respect of a Loan Tranche, with respect to the first Funding 1 Interest Payment Date, the period from (and including) the applicable Loan Tranche Interest Commencement Date to (but excluding) such first Funding 1 Interest Payment Date and, thereafter, the period from (and including) the preceding Funding 1 Interest Payment Date to (but excluding) that Funding 1 Interest Payment Date,

Funding 1 Ledgers means the Funding 1 Principal Ledger, the Funding 1 Revenue Ledger, the General Reserve Ledger, the Funding 1 Principal Deficiency Ledger, the Intercompany Loan Ledger and the Cash Accumulation Ledger together with each sub-ledger thereof and such other ledgers as the Cash Manager determines are, or should be, maintained to record the cashflows of Funding 1,

Funding 1 Liquidity Facility means a liquidity facility entered into at any time after the Initial Closing Date,

Funding 1 Liquidity Facility Agreement means any agreement entered into after the Initial Closing Date between (*inter alios*) Funding 1 and the Funding 1 Liquidity Facility Provider in relation to the provision of a liquidity facility to Funding 1,

Funding 1 Liquidity Facility Principal Payment means the payments specified as such in the Funding 1 Liquidity Facility Agreement (if any),

Funding 1 Liquidity Facility Provider means the provider of the Funding 1 Liquidity Facility,

Funding 1 Liquidity Facility Subordinated Amounts means the amounts specified as such in the Funding 1 Liquidity Facility Agreement (if any),

Funding 1 Loan means all the advances made available by the Funding 1 Loan Provider to Funding 1 pursuant to the Funding 1 Loan Agreement,

Funding 1 Loan Agreement means the Funding 1 Loan Agreement dated 19 August 2013 between Funding 1, the Funding 1 Loan Provider and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Funding 1 Loan Prepayable Amount has the meaning given to it in clause 4 10(c) of the Cash Management Agreement,

Funding 1 Loan Principal Deficiency Sub-Ledger means the sub-ledger of the Funding 1 Principal Deficiency Ledger corresponding to the Funding 1 Loan in order to record any losses allocated to the Funding 1 Share of the Trust Property or the application of Funding 1 Available Principal Receipts in paying interest on the Funding 1 Loan and certain amounts ranking in priority thereto in accordance with the Funding 1 Pre-Acceleration Revenue Priority of Payments,

Funding 1 Loan Provider means Santander UK in its capacity as lender of the Funding 1 Loan pursuant to the Funding 1 Loan Agreement,

Funding 1 Loan Tranches means the AAA Loan Tranches, the AA Loan Tranches, the A Loan Tranches, the BBB Loan Tranches, the BB Loan Tranches and the NR Loan Tranches advanced by the Issuer or any New Issuer to Funding 1 pursuant to the Intercompany Loan Agreement or any New Intercompany Loan Agreement respectively and funded from proceeds received by the Issuer or such New Issuer respectively from the issue of a Series and Class of Notes or New Notes or from the issue of, or any Increase Amount under, a Class Z Variable Funding Note,

Funding 1 Minimum Cash Accumulation Period means the anticipated number of months required to accumulate sufficient Principal Receipts to pay the relevant Accumulation Amount,

Funding 1 Post-Acceleration Priority of Payments means the order of priority in which, following acceleration of the Intercompany Loan, the Cash Manager or, following enforcement of any Funding 1 Security, the Funding 1 Security Trustee, will apply all monies following an Intercompany Loan Event of Default and enforcement of the Funding 1 Security (as set out in part 3 of schedule 4 to the Funding 1 Deed of Charge),

Funding 1 Power of Attorney means the power of attorney in the form of schedule 5 to the Funding 1 Deed of Charge,

Funding 1 Pre-Acceleration Principal Priority of Payments means the order in which, prior to acceleration of the Intercompany Loan, the Cash Manager will apply the Funding 1 Available Principal Receipts on each Funding 1 Interest Payment Date, as set out in Part 2 of schedule 4 to the Funding 1 Deed of Charge,

Funding 1 Pre-Acceleration Revenue Priority of Payments means the order of priority in which Funding 1 Available Revenue Receipts will be applied prior to the acceleration of the Intercompany Loan as set out in part 1 of schedule 4 to the Funding 1 Deed of Charge,

Funding 1 Principal Deficiency means any losses arising in relation to a Loan in the Portfolio which causes a shortfall in the amount available to pay principal on the Loan Tranches,

Funding 1 Principal Deficiency Ledger means the ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement comprising the following sub-ledgers, the AAA Principal Deficiency Sub-Ledger, the AA Principal Deficiency Sub-Ledger, the A Principal Deficiency Sub-Ledger, the BBB Principal Deficiency Sub-Ledger, the BB Principal Deficiency Sub-Ledger, the NR Principal Deficiency Sub-Ledger and the Funding 1 Loan Principal Deficiency Sub-Ledger (but which may comprise additional sub ledgers as required) in order to record any deficiency of principal in respect of payments due under an Intercompany Loan and the Funding 1 Loan Principal Deficiency Sub-Ledger,

Funding 1 Principal Deficiency Sub-Ledger means singly or together (as the context requires) the AAA Principal Deficiency Sub-Ledger, the AA Principal Deficiency Sub-Ledger, the A Principal Deficiency Sub-Ledger, the BBB Principal Deficiency Sub-Ledger, the BB Principal Deficiency Sub-Ledger and the NR Principal Deficiency Sub-Ledger and the Funding 1 Loan Principal Deficiency Sub-Ledger, and/or such additional principal deficiency sub-ledgers that may be established from time to time after the Initial Closing Date, as the case may be,

Funding 1 Principal Funds means, in respect of any Funding 1 Interest Payment Date

(a) the aggregate of the following amount for each Trust Calculation Period which has ended in the period from the previous Funding 1 Interest Payment Date to the most recent Trust Calculation Date, such amount being the product of

  (i) the Funding 1 Share Percentage or, as applicable, the Weighted Average Funding 1 Share (Principal) Percentage, as calculated at the start of the relevant Trust Calculation Period, and

  (ii) the aggregate amount of Principal Receipts received by the Mortgages Trustee during the relevant Trust Calculation Period,

(b) the amount credited to the Funding 1 Principal Deficiency Ledger on the relevant Funding 1 Interest Payment Date, and

(c) the amount, if any, credited to the Funding 1 Principal Ledger pursuant to item (j) of the Funding 1 Pre-Acceleration Principal Priority of Payments on the immediately preceding Funding 1 Interest Payment Date,

Funding 1 Principal Ledger means the ledger on which receipts and payments of Funding 1 Principal Receipts will be recorded by the Cash Manager,

Funding 1 Principal Receipts means the Principal Receipts paid by the Mortgages Trustee to Funding 1 on each Distribution Date,

Funding 1 Priority of Payments means, as applicable, the Funding 1 Pre-Acceleration Principal Priority of Payments, the Funding 1 Pre-Acceleration Revenue Priority of Payments and/or the Funding 1 Post-Acceleration Principal Priority of Payments,

Funding 1 Revenue Deficit Amount means the amount of the shortfall between Funding 1 Available Revenue Receipts and the amounts required to pay items (a) to (d), (f), (h), (j) and (l) of the Funding 1 Pre-Acceleration Revenue Priority of Payments,

Funding 1 Revenue Deficit Cure Amount has the meaning given to it in clause 14 2(ii) of the Mortgages Trust Deed,

Funding 1 Revenue Ledger means the ledger on which the Cash Manager will record all monies received by Funding 1 from the Mortgages Trustee on each Distribution Date other than the Funding 1 Principal Receipts, together with interest received on its Authorised Investments or pursuant to the Funding 1 Bank Account Agreement,

Funding 1 Revenue Receipts means the Funding 1 Share of Mortgages Trust Available Revenue Receipts received by Funding 1 from the Mortgages Trustee on each Distribution Date and (in respect of the Initial Closing Date) the £100 allocated and paid to Funding 1 in accordance with clause 10 3 of the Mortgages Trust Deed,

Funding 1 Secured Creditors means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, the Liquidity Facility Provider, the Funding 1 Account Bank, the Issuer, the Seller, the Mortgages Trustee, the Funding 1 Corporate Services Provider, the Mortgages Trustee Corporate Services Provider, the PECOH Corporate Services Provider, the Holdings Corporate Services Provider, each Funding 1 Start-up Loan Provider and such other creditors of Funding 1 who may accede to the Funding 1 Deed of Charge from time to time pursuant to a Deed of Accession (including, for the avoidance of doubt, any New Issuer and any New Funding 1 Secured Creditor),

Funding 1 Secured Obligations means any and all of the monies, obligations and liabilities and all other amounts due, owing, payable or owed by Funding 1 to the Funding 1 Secured Creditors under and pursuant to the Funding 1 Agreements and references to Funding 1 Secured Obligations includes references to any of them,

Funding 1 Security means the security granted by Funding 1 to the Funding 1 Security Trustee under and pursuant to the terms of the Funding 1 Deed of Charge,

Funding 1 Security Period means the period beginning on the date of the Funding 1 Deed of Charge and ending on the date on which all the Funding 1 Secured Obligations have been unconditionally and irrevocably paid and discharged in full,

Funding 1 Security Trustee means Law Debenture Trust Company of New York, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017, United States of America or such other persons or companies as may from time to time be appointed as Funding 1 Security Trustee (or co-trustee) pursuant to the terms of the Funding 1 Deed of Charge,

Funding 1 Share means, prior to the first Trust Calculation Date, the Initial Funding 1 Share and thereafter means the amount as determined in accordance with clause 11 3 of the Mortgages Trust Deed,

Funding 1 Share Ledger means the ledger to be maintained by the Cash Manager in accordance with the Cash Management Agreement to record the current Funding 1 Share and the current Funding 1 Share Percentage,

Funding 1 Share Percentage means, prior to the first Trust Calculation Date, the Initial Funding 1 Share Percentage and thereafter means the percentage share of Funding 1 in the Trust Property from time to time as determined in accordance with clause 11 2 of the Mortgages Trust Deed,

Funding 1 Start-up Loan Agreements means the agreement entered into on the Initial Closing Date between Funding 1, the Funding 1 Start-up Loan Provider and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) and each similar agreement entered into by the same parties on any subsequent Closing Date,

Funding 1 Start-up Loan Provider means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK in its capacities as provider of each Funding 1 Start-up Loan and/or (as the context requires) any New Funding 1 Start-up Loan Provider,

Funding 1 Start-up Loans means each Loan made by a Funding 1 Start-up Loan Provider under a Funding 1 Start-up Loan Agreement in connection with the issuance of a Series,

Funding 1 Swap means each swap documented under the Funding 1 Swap Agreement which enables Funding 1 to hedge against the possible variance between the Mortgages Trustee Variable Rate payable on the Variable Rate Loans, the fixed rates of interest payable on the Fixed Rate Loans and the rates of interest payable on the Base Rate Loans and a LIBOR based rate for three-month Sterling deposits,

Funding 1 Swap Agreement means the ISDA Master Agreement and Schedule relating to the Funding 1 Swap entered into on the Initial Closing Date and any confirmation thereunder from time to time between Funding 1 and the Funding 1 Swap Provider (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Funding 1 Swap Excluded Termination Amount means, in relation to the Funding 1 Swap Agreement, an amount equal to

(a) the amount of any termination payment due and payable to the Funding 1 Swap Provider as a result of a Funding 1 Swap Provider Default or following a Funding 1 Swap Provider Downgrade Termination Event,

less

(b) the amount, if any, received by Funding 1 from a replacement swap provider upon entry by Funding 1 into an agreement with such replacement swap provider to replace the Funding 1 Swap Agreement which has terminated as a result of such Funding 1 Swap Provider Default or following the occurrence of such Funding 1 Swap Provider Downgrade Termination Event,

Funding 1 Swap Interest Payment Date means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day),

Funding 1 Swap Provider means Santander UK acting in its capacity as the Funding 1 Swap Provider pursuant to the Funding 1 Swap Agreement and/or any replacement Funding 1 Swap Provider appointed in accordance with the Funding 1 Swap Agreement,

Funding 1 Swap Provider Default means the occurrence of an Event of Default (as defined in the Funding 1 Swap Agreement) where the Funding 1 Swap Provider is the Defaulting Party (as defined in the Funding 1 Swap Agreement),

Funding 1 Swap Provider Downgrade Termination Event means the occurrence of an Additional Termination Event (as defined in the Funding 1 Swap Agreement) following the failure by the Funding 1 Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the Funding 1 Swap Agreement,

Funding 1 Transaction Account means the account in the name of Funding 1 held with the Account Bank A and maintained subject to the terms of the Funding 1 Bank Account Agreement and the Funding 1 Deed of Charge or such other account as may for the time being be in place with the prior consent of the Funding 1 Security Trustee and designated as such,

Funding 1 Transaction Account Mandate means the bank account mandate between Funding 1 and Account Bank A relating to the operation of the Funding 1 Transaction Account,

Funding 1 Transaction Documents has the same meaning as Funding 1 Agreements,

Funding Companies means Funding 1 and each Further Funding Company (if any),

Funding Company Initial Closing Date means the date that the relevant Funding Company enters into a New Intercompany Loan Agreement or (directly or indirectly) raises any other indebtedness,

Funding Company Interest Payment Dates means the Funding 1 Interest Payment Date and the interest payment date of each Further Funding Company,

Funding Company Interest Periods means the Funding 1 Interest Period and the interest period of each Further Funding Company,

Funding Company Loan Tranche means any Loan Tranche made to a Funding Company,

Funding Deed of Charge means the Funding 1 Deed of Charge and each Further Funding Company Deed of Charge (if any),

Funding Proportion has the meaning given in clause 11 6 of the Mortgages Trust Deed,

Funding Security Trustees means the Funding 1 Security Trustee and each Further Funding Security Trustee (if any),

Further Advance means an advance made following a request from an existing Borrower for a further amount to be lent to him or her under his or her Mortgage, where the Seller has a discretion as to whether to accept that request,

Further Contribution means a Contribution (excluding any Initial Contribution or Deferred Contribution paid by Funding 1, but including a Refinancing Contribution and a Seller Contribution) by way of cash payable pursuant to clause 4 of the Mortgages Trust Deed by a Beneficiary to the Mortgages Trustee to increase the share of that Beneficiary in the Trust Property,

Further Contribution Date has the meaning given in clause 11 1(a)(iii) of the Mortgages Trust Deed,

Further Funding Company means any funding entity (other than Funding 1) established in the future by Holdings,

Further Funding Company Cash Accumulation Period means the anticipated period required by a Further Funding Company to accumulate sufficient funds to repay a Cash Accumulation Loan Tranche made to the relevant Further Funding Company (ending when the Further Funding Company has accumulated an amount equal to that Cash Accumulation Loan Tranche, taking into

account its obligation to accumulate for any other Cash Accumulation Loan Tranche before, or at the same time as, the relevant Cash Accumulation Loan Tranche),

Further Funding Company Deed of Charge means any deed of charge (other than the Funding 1 Deed of Charge) entered into after the Initial Closing Date between, *inter alios*, the Issuer, a Further Funding Company and a Further Funding Security Trustee pursuant to which such Further Funding Company creates security over all of its assets in favour of such Further Funding Security Trustee,

Further Funding Company Proportion has the meaning given in clause 11 6 of the Mortgages Trust Deed,

Further Funding Company Share means the amount as determined in accordance with clause 11 5 of the Mortgages Trust Deed,

Further Funding Company Share Ledger means the ledger to be maintained by the Cash Manager in accordance with the Cash Management Agreement to record the relevant Further Funding Company's current Further Funding Company Share and the current Further Funding Company Share Percentage,

Further Funding Company Share Percentage means, in relation to each Further Funding Company, the Initial Further Funding Company Share Percentage and thereafter means the percentage share of such Further Funding Company in the Trust Property from time to time, as determined in accordance with clause 11 5 of the Mortgages Trust Deed,

Further Funding Security Trustees means any security trustee (other than the Funding 1 Security Trustee) appointed under any Further Funding Company Deed of Charge,

Further Loan Tranche means any Loan Tranches made by Further Issuers to Further Funding Companies,

Future Trust Property means any or all New Portfolios that have been or will be sold to or held on trust for the Mortgages Trustee on any Sale Date,

General Reserve Fund means the reserve fund of Funding 1 which was credited on the Initial Closing Date with certain amounts of the proceeds of the Start-up Loan and which will be credited thereafter, *inter alia*, in accordance with the terms of the Funding 1 Pre-Acceleration Revenue Priority of Payments,

General Reserve Ledger means the ledger established and maintained by the Cash Manager pursuant to the Cash Management Agreement to record the amount credited to the General Reserve Fund from the proceeds of a portion of each Funding 1 Start-up Loan and other withdrawals and deposits or credits in respect of the General Reserve Fund,

General Reserve Required Amount means, as at the Initial Closing Date, the sum of £42,592,000 and thereafter shall mean the amount specified as such in the most recent Final Terms,

Help to Buy Loans means Loans which meet the criteria published by the Homes and Communities Agency from time to time,

Holding Company means a holding company within the meaning of section 1159 of the Companies Act 2006,

Holdings means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Holdings Corporate Services Fee Letter means the letter dated the date of the Funding 1 Corporate Services Agreement between, *inter alios*, Holdings, Funding 1, the Funding 1 Security Trustee and the Holdings Corporate Services Provider, setting out the amount of fees payable to the Holdings Corporate Services Provider by Funding 1,

ICTA means the Income and Corporation Taxes Act 1988,

In Arrears means, in respect of a Mortgage Account, that one or more Monthly Payments in respect of such Mortgage Account have become due and unpaid by a Borrower,

Increase Amount has the meaning given to that term in Condition 5 9,

Increase Date has the meaning given to that term in clause 2 of the Intercompany Loan Agreement,

Initial Advance means, in respect of any Loan, the original principal amount advanced by the Seller to the relevant Borrower,

Initial Closing Date means 28 November 2006,

Initial Closing Trust Property means the Initial Portfolio sold by the Seller to the Mortgages Trustee on the Initial Closing Date,

Initial Contribution means a Contribution by way of cash payable, pursuant to clause 4 of the Mortgages Trust Deed, by a Funding Company in respect of any Trust Property sold to or held on trust for the Mortgages Trustee at the time of such sale for the purposes of enabling the Mortgages Trustee to fund the payment of the Initial Purchase Price owed by the Mortgages Trustee to the Seller, pursuant to the terms of the Mortgage Sale Agreement, in respect of any Loans and their Related Security sold by the Seller to the Mortgages Trustee from time to time,

Initial Funding 1 Interest Payment Dates means the dates which correspond with the Quarterly Interest Payment Dates of the Notes (other than the Monthly Payment Notes) issued by the Issuer on the Initial Closing Date,

Initial Funding 1 Share has the meaning given in clause 10 of the Mortgages Trust Deed,

Initial Funding 1 Share Percentage has the meaning given in clause 10 of the Mortgages Trust Deed,

Initial Loan Tranche Margin means, in respect of any Loan Tranche, the margin per annum specified as such in the applicable Loan Tranche Supplement,

Initial Loans means the portfolio of residential first mortgage loans sold by the Seller to the Mortgages Trustee on the Initial Closing Date pursuant to the Mortgage Sale Agreement,

Initial Portfolio means the Provisional Initial Portfolio other than any Loan and its Related Security redeemed in full on or before the Initial Closing Date (but, for the avoidance of doubt, including any relevant CCA Mortgages),

Initial Purchase Price means the cash sum paid or (as the context requires) payable by the Mortgages Trustee to the Seller in consideration for the sale of a Portfolio to the Mortgages Trustee pursuant to the terms of the Mortgage Sale Agreement, funded by an Initial Contribution,

Initial Related Security means the Related Security sold by the Seller to the Mortgages Trustee on the Initial Closing Date pursuant to the Mortgage Sale Agreement,

Initial Seller Share has the meaning given in clause 10 of the Mortgages Trust Deed,

Initial Seller Share Percentage has the meaning given in clause 10 of the Mortgages Trust Deed,

Initial Trust Property means the sum of £100 that Sanne Trustee Services Limited settled on the Mortgages Trust pursuant to clause 2 1 of the Mortgages Trust Deed,

Insolvency Event means, in respect of the Mortgages Trustee, any Funding Company, the Issuer, any Further Issuer, any New Issuer, the Seller, the Servicer, the Cash Manager and/or the Issuer Cash Manager (each, for the purposes of this definition, a **relevant entity**)

(a) an order is made or an effective resolution passed for the winding up of the relevant entity,

(b) the relevant entity ceases or threatens to cease to carry on its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (as amended) or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent, or

(c) proceedings (including, but not limited to, presentation of an application for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) are initiated against the relevant entity under any applicable liquidation, administration, reorganisation (other than a reorganisation where the relevant entity is solvent) or other similar laws, save where such proceedings are being contested in good faith, or an administrative or other receiver, administrator or other similar official is appointed in relation to the whole or any substantial part of the undertaking or assets of the relevant entity or the appointment of an administrator takes effect, or a distress, execution or diligence or other process is enforced upon the whole or any substantial part of the undertaking or assets of the relevant entity and in any of the foregoing cases it is not discharged within 15 London Business Days, or if the relevant entity initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness,

Insurance Contracts means the insurance policies described in schedule 9 to the Mortgage Sale Agreement and any other insurance contracts in replacement, addition or substitution therefor from time to time which relate to the Loans and their Related Security,

Insurance Policies means the Buildings Policies, the Lender Interest-Only Policy, the Title Insurance Policies and the Properties in Possession Cover and **Insurance Policy** shall be construed accordingly,

Intercompany Loan means, at any time, the aggregate of all Loan Tranches advanced under the Intercompany Loan Agreement,

Intercompany Loan Acceleration Notice means a notice served by the Issuer (a) on Funding 1 following the occurrence of an Intercompany Loan Event of Default, pursuant to the Intercompany Loan Agreement and/or following an event of default under a New Intercompany Loan (where

applicable); and/or (b) on a Further Funding Company following an event of default under a New Intercompany Loan,

Intercompany Loan Agreement means the loan agreement and the Loan Tranche Supplement entered into on the Initial Closing Date between the Issuer, Funding 1, the Funding 1 Security Trustee, the Issuer Security Trustee and the Agent Bank (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) together with each subsequent Loan Tranche Supplement entered into on each subsequent Closing Date between the Issuer, Funding 1, the Funding 1 Security Trustee, the Issuer Security Trustee and the Agent Bank (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Intercompany Loan Event of Default means the occurrence of an event of default as specified in clause 15 of the Intercompany Loan Agreement,

Interim Trust Calculation Date has the meaning given in clause 11 1(b) of the Mortgages Trust Deed,

Interim Trust Calculation Period has the meaning given in clause 11 1(b) of the Mortgages Trust Deed,

Irrecoverable VAT means any amount in respect of VAT incurred by a party to the Transaction Documents (for the purposes of this definition, a **Relevant Party**) to the extent that the Relevant Party does not or will not receive and retain a credit or repayment of such VAT as input tax (as that expression is defined in section 24(1) of the Value Added Tax Act 1994) for the prescribed accounting period (as that expression is used in section 25(1) of the Value Added Tax Act 1994) to which such input tax relates,

Issuer means Fosse Master Issuer plc (registered number 5925693), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP or, as the context may require, any New Issuer,

Issuer Account Bank means, in relation to the Issuer, the bank at which the Issuer's Accounts are maintained pursuant to the Issuer Bank Account Agreement,

Issuer Master Definitions and Construction Schedule means, in relation to the Issuer, the Issuer Master Definitions and Construction Schedule signed on or about the Initial Closing Date, as the same may be amended, restated and supplemented from time to time,

Issuer Notes means the Notes (as defined in the Issuer Master Definitions and Construction Schedule) of the Issuer;

Issuer Security Trustee means Law Debenture Trust Company of New York, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017, United States of America or such other person or companies as may from time to time be appointed as Issuer Security Trustee (or co-trustee) pursuant to the terms of the Issuer Deed of Charge,

Law includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction and any present or future directive, regulation, guideline, practice, concession, request or requirement whether or not having the force of law issued by any governmental body, agency or department or any central bank or other fiscal, monetary, taxation, regulatory, self regulatory or other authority or agency,

Legal Opinions means the legal opinions delivered by

(a) Allen & Overy LLP (as to English law),

(b) Allen & Overy LLP (as to UK tax),

(c) Allen & Overy LLP FSA opinion,

(d) Linklaters LLP 10b-5 letter,

(e) Linklaters LLP US Securities law opinion,

(f) Shepherd and Wedderburn LLP (as to Scots law),

(g) Allen & Overy LLP (as to U S Securities law, US Tax and ERISA),

(h) Allen & Overy LLP 10b-5 letter,

(i) Mourant Ozannes (formerly Mourant du Feu & Jeune) (as to Jersey law),

(j) Slaughter and May (as to English law),

(k) Pinsent Masons Belfast LLP (formerly McGrigors Belfast LLP and formerly L'Estrange & Brett) (as to Northern Irish Law), and

(l) Cleary Gottlieb Steen & Hamilton LLP (as to U S Securities law, US Tax and ERISA),

on the Initial Closing Date (with the exception of the opinions delivered by Slaughter and May and Cleary Gottlieb Steen & Hamilton LLP) and (as applicable) on each subsequent Closing Date,

Lender Interest-Only Policy means a block buildings policy in the name of the Seller relating to the Properties where the relevant Borrower has been unable to effect his own buildings insurance and written by Zurich Insurance Company or such other entity as may from time to time be appointed to issue such type of policy to the Seller,

Lending Criteria means the criteria contained in schedule 4 to the Mortgage Sale Agreement or such other criteria as would be acceptable to a Reasonable, Prudent Mortgage Lender,

LIBOR means the London inter-bank offered rate for deposits in the relevant currency,

Liquidity Reserve Fund means a liquidity reserve fund established on the occurrence of certain ratings downgrades of the Seller to meet interest and principal shortfalls (in limited circumstances) on certain of the Loan Tranches,

Liquidity Reserve Fund Rating Event means, where there are Class A Notes and/or Class B Notes then outstanding, the counterparty risk assessment assigned to the Seller by Moody's is less than A3(cr) or the Seller's long-term, unsecured, unsubordinated and unguaranteed debt obligations are rated below A- by Fitch (unless the relevant Rating Agency confirms that its then current ratings of the Notes will not be adversely affected as a consequence of such assessment or rating of the Seller),

Liquidity Reserve Fund Required Amount means, on any Funding 1 Interest Payment Date, an amount equal to the excess (if any) of 3 per cent of the aggregate outstanding balance of the Notes on that date over the aggregate of amounts standing to the credit of the General Reserve Fund on that Funding 1 Interest Payment Date,

Liquidity Reserve Ledger means a ledger maintained by the Cash Manager to record the withdrawals and deposits in respect of the Liquidity Reserve Fund,

Loan means each loan referenced by its loan identifier number (as specified in the document stored upon the CD-ROM which accompanied Part 1 of Appendix 1 to the Mortgage Sale Agreement dated 28 November 2006 or the schedule to any New Portfolio Notice and, for the avoidance of doubt, including any such loan subject of the CCA Mortgages Trust or any Scottish Declaration of Trust) and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that loan under the relevant Mortgage Terms by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same,

Loan Repurchase Notice means a notice in, or in substantially, the form set out in schedule 6 to the Mortgage Sale Agreement,

Loan Tranche means the Funding 1 Loan Tranches together with any Further Loan Tranches and any New Loan Tranches,

Loan Tranche Interest Amount means the amount of interest payable under any Loan Tranche Supplement for the relevant Funding 1 Interest Period,

Loan Tranche Interest Commencement Date means, in respect of any Loan Tranche, the Drawdown Date or such other date as may be specified in the applicable Loan Tranche Supplement,

Loan Tranche Interest Determination Date means the first day of each Funding 1 Interest Period,

Loan Tranche Interest Reset Date means, in respect of a Loan Tranche, the dates specified as such in the applicable Loan Tranche Supplement,

Loan Tranche Notice means, in respect of a Loan Tranche under the Intercompany Loan Agreement, a notice delivered by Funding 1 to, *inter alios*, the Issuer in substantially the form set out in schedule 2 to the Intercompany Loan Agreement requesting a drawing under the Intercompany Loan Agreement,

Loan Tranche Payment Dates means (i) in respect of a Bullet Loan Tranche, the Bullet Repayment Date, (ii) in respect of a Scheduled Amortisation Loan Tranche, the Scheduled Repayment Dates specified in the applicable Final Terms and each Funding 1 Interest Payment Date following the last such specified Scheduled Repayment Date, and (iii) in respect of a Pass-Through Loan Tranche, the Funding 1 Interest Payment Dates in each case specified in the applicable Loan Tranche Supplement or, following the occurrence of a Pass-Through Trigger Event, the dates corresponding to the Interest Payment Dates for the corresponding Notes,

Loan Tranche Rating means the designated rating of each Loan Tranche which reflects the rating (or lack thereof) assigned to the corresponding class of Notes (where, for the avoidance of doubt, the designated Loan Tranche Rating of an NR Loan Tranche represents the fact that no ratings will be assigned to the corresponding Class Z Notes by the Rating Agencies on the relevant Closing Date) used to fund each such Loan Tranche on the relevant Closing Date of that Loan Tranche,

Loan Tranche Supplement means, in relation to any Loan Tranche, the document in substantially the form set out in schedule 3 to the Intercompany Loan Agreement between, amongst others, Funding 1 and the Issuer recording the principal terms of such Loan Tranche and, in relation to any New Loan Tranche made available to Funding 1 and/or a Further Funding Company, the document between, amongst others, Funding 1, the relevant Further Funding Company and the New Issuer recording the principal terms of such New Loan Tranche,

Loan Warranties means the Representations and Warranties,

London Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London,

London Stock Exchange means the London Stock Exchange plc,

Losses means all realised losses on the Loans in the Portfolio,

Losses Ledger means the ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the Losses on the Loans in the Portfolio,

LTV, LTV Ratio or **Loan-To-Value Ratio** means the ratio (expressed as a percentage) of the Current Balance of a Loan to the value of the Property securing that Loan,

LTV Test means a test which assigns a credit enhancement value to each Loan in the Portfolio based on its current LTV Ratio and the amount of mortgage indemnity cover on that Loan The weighted average credit enhancement value for the Portfolio is then determined,

Mandate means the Funding 1 Transaction Account Mandate, the Funding 1 GIC Account Mandate, the Funding 1 Collateral Account Mandate and/or the Mortgages Trustee GIC Account Mandate, as the case may be,

Master Definitions and Construction Schedule has the meaning given to it in Clause 1 1 of the Sixth Supplemental Funding 1 Deed of Charge and all Accession Agreements,

Material Adverse Effect means a material adverse effect on

(a) the business or financial condition of Funding 1,

(b) the ability of Funding 1 to perform its obligations under any Funding 1 Agreement, or

(c) the validity or enforceability of any Funding 1 Agreement,

Maximum Loan Maturity Date means the later of

(a) October 2052, and

(b) the month which falls two years prior to the earliest Final Maturity Date of any outstanding Notes (other than any money market notes for the purposes of Rule 2a-7 under the Investment Company Act),

MH/CP Documentation means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 or (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or the Property secured thereby,

Minimum Ratings means the requirement for the Seller to maintain

(a) long term, unsecured and unguaranteed credit ratings from Moody's of at least Baa3,

(b) short-term unsecured, unsubordinated and unguaranteed credit ratings from S&P of at least A-3, and

(c) a long-term "Issuer Default Rating" by Fitch of at least BBB-,

Minimum Seller Share means the amount included in the current Seller Share which is calculated in accordance with clause 12 2 of the Mortgages Trust Deed,

Minimum Yield means LIBOR for three-month Sterling deposits plus 1 00 per cent (or any higher percentage as specified in the most recent Final Terms),

Money Market Notes means a Series and Class of Rule 144A Notes issued by the Issuer and designated as money market notes in the applicable Final Terms,

Monthly CPR means, on any Trust Calculation Date, the total Principal Receipts received during the immediately preceding Trust Calculation Period divided by the aggregate Current Balance of the Loans comprised in the Trust Property calculated on the previous Trust Calculation Date in respect of the previous Trust Calculation Period,

Monthly Payment means the amount (including interest and principal) which the relevant Mortgage Terms require a Borrower to pay on each Monthly Payment Day in respect of that Borrower's Loan,

Monthly Payment Day or **Monthly Payment Date** means the date on which interest (and principal in relation to a repayment mortgage) is due to be paid by a Borrower on a Loan or, if any such day is not a London Business Day, the next following London Business Day,

Monthly Payment Notes means either Money Market Notes or any other Notes in respect of which monthly Interest Payment Dates are specified in the applicable Final Terms,

Monthly Report means the monthly report provided pursuant to clause 12 4(c) of the Servicing Agreement

Moody's means Moody's Investors Service Limited and includes any successor to its rating business,

Moody's Portfolio Variation Test means the calculation methodology provided by Moody's to the Servicer from time to time for the purpose of calculating the Moody's Portfolio Variation Test Value,

Moody's Portfolio Variation Test Value means a certain percentage resulting from the application of the Moody's Portfolio Variation Test,

Mortgage means a first fixed charge by way of legal mortgage (in relation to English Loans and Northern Irish Loans) or a first ranking standard security (in relation to Scottish Loans) sold by the Seller to the Mortgages Trustee pursuant to the Mortgage Sale Agreement, which secures the repayment of the relevant Loan or Loans,

Mortgage Account means a Loan secured on a Property forming a single mortgage account,

Mortgage Conditions or **Loan Conditions** means the terms and conditions applicable to a Loan as contained in the Standard Documentation provided to Borrowers from time to time,

Mortgage Sale Agreement means the mortgage sale agreement dated the Initial Closing Date and made between the Seller, Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee in relation to the sale of the Initial Portfolio and the sale of any New Portfolio to the Mortgages Trustee from time to time, as amended, restated, varied, supplemented and/or restated from time to time,

Mortgage Terms means all the terms and conditions applicable to a Loan, including without limitation the applicable Mortgage Conditions and Offer Conditions,

Mortgage Transfer Service means the service offered by the Seller which allows remortgages of properties to be completed under an expedited procedure, whereby Loans are advanced to Borrowers as a means to discharge a pre-existing first fixed charge or first ranking standard security (as applicable) over residential property and to replace such pre-existing first fixed charge or first

ranking standard security (as applicable) with a Mortgage and where a full conveyancing service is not undertaken by solicitors acting on behalf of the Seller but instead a truncated conveyancing process is undertaken and a Title Insurance Policy taken out in relation to the relevant Loan,

Mortgagee means the person for the time being entitled to exercise the rights of the mortgagee or heritable creditor (as applicable) under a Mortgage,

Mortgages Trust means the bare trust of the Trust Property as to both capital and income held by the Mortgages Trustee on trust absolutely for Funding 1 (as to the Funding 1 Share and as to the allocations to Funding 1 of Mortgages Trust Available Revenue Receipts) for each Further Funding Company (as to its respective Further Funding Company Share and as to the allocations to that Further Funding Company of Mortgages Trust Available Revenue Receipts), and the Seller (as to the Seller Share and as to the allocations to the Seller of Mortgages Trust Available Revenue Receipts) pursuant to the terms of the Mortgages Trust Deed as may be supplemented, amended, restated and/or novated from time to time,

Mortgages Trust Available Principal Receipts means the Principal Receipts on the Loans and (without double counting) the proceeds of any Authorised Investments made by or on behalf of the Mortgages Trustee from such Principal Receipts (but excluding any interest or other amount received in respect thereof in an amount greater than the amount of the Principal Receipts invested therein), available to the Mortgages Trustee to distribute on the next Distribution Date in accordance with clause 14 of the Mortgages Trust Deed,

Mortgages Trust Available Revenue Receipts means an amount equal to the aggregate of the following amounts, as calculated on each Trust Calculation Date in respect of the immediately preceding Trust Calculation Period

(a) Revenue Receipts on the Loans (but excluding Principal Receipts),

(b) the proceeds of Authorised Investments made by or on behalf of the Mortgages Trustee (but excluding the proceeds of such Authorised Investments which are treated as Mortgages Trust Available Principal Receipts and without double counting amounts referred to in paragraph (a),

(c) interest received or payable to the Mortgages Trustee on the Mortgages Trustee GIC Account, and

(d) the amount of any Seller Contribution received by the Mortgages Trustee,

less

(e) Third Party Amounts, which amounts may be paid daily from monies on deposit in the Mortgages Trustee GIC Account,

Mortgages Trust Deed means the mortgages trust deed entered into on the Initial Closing Date between the Mortgages Trustee, the Funding Companies, the Seller and Sanne Trustee Services Limited on 28 November 2006 (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Mortgages Trust Principal Priority of Payments means the order in which the Cash Manager applies Principal Receipts on the Loans on each Distribution Date, as set out in clause 14 of the Mortgages Trust Deed,

Mortgages Trust Revenue Priority of Payments means the order in which the Cash Manager applies the Mortgages Trust Available Revenue Receipts on each Distribution Date, as set out in clause 13 of the Mortgages Trust Deed,

Mortgages Trustee means Fosse Trustee Limited (registered number 94410), a private company with limited liability incorporated in Jersey, Channel Islands, whose registered office is at 13 Castle Street, St Helier, Jersey JE4 5UT, Channel Islands, or (on and after 29 April 2016) Fosse Trustee (UK) Limited (registered number 07210492), a private limited company incorporated under the laws of England and Wales whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN,

Mortgages Trustee Account Bank means the bank at which the Mortgages Trustee GIC Account is maintained from time to time (being, as at the date hereof, Santander UK plc acting through its offices at 2 Triton Square, Regent's Place, London NW1 3AN and, thereafter, such other replacement account bank as the Mortgages Trustee may choose with the prior written approval of the Funding Security Trustees and the prior written consent of the Beneficiaries in accordance with the Mortgages Trustee Bank Account Agreement),

Mortgages Trustee Bank Account Agreement means the agreement entered into on the Initial Closing Date between the Mortgages Trustee Account Bank, the Mortgages Trustee, the Cash Manager, Funding 1 and the Funding 1 Security Trustee which governs the operations of the Mortgages Trustee GIC Account (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Mortgages Trustee Collection Account Amounts means all amounts from time to time standing to the credit of the Collection Account to the extent that such amounts represent payments into the Collection Account of sums derived or resulting from mortgage loans originated by the Seller which have been sold to or held on trust for the Mortgages Trustee pursuant to the Mortgage Sale Agreement,

Mortgages Trustee Corporate Services Agreement means the agreement dated 29 April 2016 and made between the Mortgages Trustee Corporate Services Provider, the Mortgages Trustee and the Funding 1 Security Trustee, the Note Trustee and the Issuer Security Trustee, which governs the provision of corporate services by the Mortgages Trustee Corporate Services Provider to the Mortgages Trustee and sets out the amount of fees payable to the Mortgages Trustee Corporate Services Provider by the Mortgages Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Mortgages Trustee Corporate Services Fee Letter means the letter dated the date of the Mortgages Trustee Corporate Services Agreement between the Mortgages Trustee and the Mortgages Trustee Corporate Services Provider,

Mortgages Trustee Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Mortgages Trustee under the Mortgages Trustee Corporate Services Agreement,

Mortgages Trustee GIC Account means the account in the name of the Mortgages Trustee maintained with the Mortgages Trustee Account Bank pursuant to the Mortgages Trustee Bank Account Agreement or such additional or replacement bank account of the Mortgages Trustee as may for the time being be in place with the prior consent of the Funding 1 Security Trustee which is subject to a guaranteed rate of interest,

Mortgages Trustee GIC Account Mandate means the bank account mandate between the Mortgages Trustee and the Mortgages Trustee Account Bank relating to the operation of the Mortgages Trustee GIC Account,

Mortgages Trustee GIC Balance means, on any day during a Funding Company Interest Period, the amount standing to the credit of the Mortgages Trustee GIC Account as at the opening of business on such day,

Mortgages Trustee GIC Rate means the rate of interest accruing on the balance standing to the credit of the Mortgages Trustee GIC Account equal to a rate of 0 10 per cent per annum below LIBOR for three-month Sterling deposits,

Mortgages Trustee Ledgers means the Principal Ledger, the Revenue Ledger, the Losses Ledger, the Funding 1 Share Ledger, the Seller Share Ledger and the Contributions Ledger,

New Beneficiary means any Further Funding Company that accedes to the Mortgages Trust Deed in accordance with clause 17 thereof,

New Bullet Loan Tranche means any loan tranche made under a New Intercompany Loan Agreement where the full amount of principal on such loan tranche is scheduled for repayment on a single interest payment date,

New Closing Date means the date of any new issue of New Notes by the Issuer or any New Issuer as the case may be,

New Funding 1 Secured Creditor means such other creditor of Funding 1 who accedes to the Funding 1 Deed of Charge from time to time including pursuant to a Deed of Accession,

New Funding 1 Start-up Loan means a loan issued to Funding 1 under a New Start-up Loan Agreement,

New Funding 1 Start-up Loan Agreement means a loan agreement under which the Funding 1 Start-up Loan Provider or a New Start-up Loan Provider shall provide Funding 1 with a New Start-up Loan for the purposes of meeting the costs of the New Issue and/or further funding the Reserve Fund, if required (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

New Funding 1 Start-up Loan Provider means an entity (other than Santander UK plc) who shall supply a New Start-up Loan to Funding 1 from time to time,

New Funding 1 Swap means a new swap under the existing Funding 1 Swap Agreement or a New Funding 1 Swap Agreement,

New Funding 1 Swap Agreement means an agreement documenting a New Funding 1 Swap entered into by Funding 1 and a New Funding 1 Swap Provider in connection with New Loan Tranches (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

New Funding 1 Swap Provider means the swap provider under a New Funding 1 Swap Agreement,

New Intercompany Loan means a loan of the proceeds of any issue of New Notes by a New Issuer after the Initial Closing Date, such loan being advanced to Funding 1 and/or any Further Funding Company by a New Issuer pursuant to the terms of a New Intercompany Loan Agreement,

New Intercompany Loan Agreement means the intercompany loan agreement and the Loan Tranche Supplement entered into on a Closing Date between, *inter alios*, a New Issuer, Funding 1 and the Funding 1 Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

New Issuer means any company, other than the Issuer, which is established after the Initial Closing Date to issue New Notes where all or part of the proceeds of the issue of New Notes will be on-lent to Funding 1 and/or a Further Funding Company,

New Issuer Master Definitions and Construction Schedule means the master definitions and construction schedule of a New Issuer signed in connection with any New Notes,

New Issuer Swap Provider means any entity who enters into a hedging arrangement with a New Issuer,

New Issuer Transaction Document means any document or agreement to which any New Issuer is a party (together the **New Issuer Transaction Documents**),

New Loan Tranche means an advance of funds by the Issuer or a New Issuer (as the case may be) to Funding 1 or any Further Funding Company under the terms of a New Intercompany Loan Agreement, which advance is funded by a corresponding class of New Notes,

New Loan Type means on any date a type of Loan that is materially different from the types of Loans comprised in the Portfolio,

New Loans means Loans, other than the Initial Loans, which the Seller may from time to time after the Initial Closing Date sell to or hold on trust for the Mortgages Trustee pursuant to the Mortgage Sale Agreement,

New Master Definitions and Construction Schedule means the master definitions and construction schedule of Funding 1 signed in connection with New Loan Tranches,

New Notes means any new notes issued by the Issuer and any notes of any New Issuer (as applicable),

New Portfolio means, in each case, the portfolio of Loans and their Related Security (other than any Loans and their Related Security which have been redeemed in full prior to the Sale Date or which do not otherwise comply with the terms of clause 4 of the Mortgage Sale Agreement as at the Sale Date but, for the avoidance of doubt, including any relevant CCA Mortgages), particulars of which are set out in the relevant New Portfolio Notice or in a document stored upon electronic media (including, but not limited to, a CD-ROM), and all right, title, interest and benefit of the Seller in and to

(a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears) and other sums due or to become due in respect of such Loans and their Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on all covenants and any undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Terms,

(b) subject where applicable to the subsisting rights of redemption of Borrowers, all Deeds of Consent, Deeds of Postponement, MH/CP Documentation and all third party guarantees and any other collateral security for the repayment of the relevant New Loans secured by the relevant New Mortgages,

(c) the right to exercise all the powers of the Seller in relation thereto,

(d) all the estate and interest in the relevant Properties vested in the Seller,

(e) each relevant Certificate of Title and Valuation Report and any right of action of the Seller against any solicitor, licensed conveyancer, qualified conveyancer, Valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with such Loans and their Related Security, or any part thereof or affecting the decision of the Seller to make or offer to make any such Loan or part thereof,

(f) all rights, titles and interests of the Seller (both present and future) (including, without limitation the proceeds of all claims to which the Seller is entitled) under the Insurance Policies, and

(g) all proceeds from the enforcement of such Loans and their Related Security,

New Portfolio Notice means a notice in the form set out in schedule 10 to the Mortgage Sale Agreement served in accordance with the terms of the Mortgage Sale Agreement,

New Rated Notes means New Notes which are Rated Notes,

New Related Security means the Related Security for any New Loans (including any Mortgages) sold to or held on trust for the Mortgages Trustee by the Seller,

New Trust Property means any New Loans and their Related Security to be sold to or held on trust for the Mortgages Trustee by the Seller,

New York Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currency) in the city of New York,

Non-Asset Trigger Event means, on a Trust Calculation Date

(a) the occurrence of an Insolvency Event in relation to the Seller on or before that Trust Calculation Date,

(b) the role of the Seller as Servicer under the Servicing Agreement is terminated and a new Servicer is not appointed within 60 days of such termination,

(c) the current Seller Share is less than the Minimum Seller Share on two consecutive Trust Calculation Dates (in each case by reference to the most recent Trust Calculation Date), or

(d) as at the Trust Calculation Date immediately preceding the relevant Trust Calculation Date, the aggregate Outstanding Principal Balance of Loans comprising the Trust Property is less than the required loan balance amount specified in the most recent Final Terms and this has not been remedied by the relevant Trust Calculation Date,

Non Bullet Funding 1 Principal Amounts means all Mortgages Trust Available Principal Receipts distributed to Funding 1 on each Distribution Date under clause 11 1 of the Mortgages Trust Deed (other than amounts allocated to the General Reserve Fund, the Liquidity Reserve Fund (comprising item (b) of the definition of Cash Accumulation Requirement) or to repay any Funding 1 Liquidity Facility Agreement and excluding the Bullet Accumulation Liability due in respect of any Bullet Loan Tranche which is within a Cash Accumulation Period),

Northern Irish Loan means a Loan secured by a Northern Irish Mortgage,

Northern Irish Mortgage means a Mortgage secured over a Property in Northern Ireland,

Northern Irish Transfers means each Registered Land Transfer and each Unregistered Land Transfer,

Note Acceleration Notice means, in relation to the Issuer or any New Issuer (as the case may be), a Note Acceleration Notice served by the relevant Note Trustee following a Note Event of Default in relation to the Notes issued by the Issuer or that New Issuer pursuant to the applicable Terms and Conditions thereof,

Note Determination Date means two Business Days prior to each Funding 1 Interest Payment Date,

Note Event of Default means the occurrence of an event of default by the relevant Issuer as specified in the relevant Conditions of the Notes,

Note Trustee means Law Debenture Trust Company of New York, acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017, United States of America or such other person or companies as may from time to time be appointed as Note Trustee (or co-trustee) pursuant to, in the case of the Issuer, the note trust deed entered into on the Initial Closing Date between the Issuer and the Note Trustee and, in relation to New Issuers, the relevant note trust deeds to be entered into on New Closing Dates,

Notes means the Issuer Notes and any New Notes,

Notional Amount of the Funding 1 Swap(s) means, in respect of a Trust Calculation Period, (i) from the Amendment Effective Date, an amount in Sterling equal to the relevant proportion (equal to the proportion that the Loans in the group to which the relevant Funding 1 Swap relates bears to the total Loans in the Portfolio, in each case by reference to the aggregate Outstanding Principal Balance at such time) of the following amount and (ii) prior to the Amendment Effective Date, an amount in sterling equal to the following amount

(a) the aggregate principal amount outstanding of all Loan Tranches under the Intercompany Loan Agreement on the first day of the relevant Trust Calculation Period, less

(b) the balance of the Funding 1 Principal Deficiency Ledger attributable to all Loan Tranches under the Intercompany Loan Agreement on the first day of the relevant Trust Calculation Period, less

(c) the amount of the Funding 1 Principal Receipts in the Funding 1 GIC Account attributable to all Loan Tranches under the Intercompany Loan Agreement on the first day of the relevant Trust Calculation Period;

NR Loan Tranche means any Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any Series and Class of Class Z Notes or, in the case of an NR VFN Loan Tranche, from the proceeds of issue of, and Increase Amounts under, a Class Z Variable Funding Note,

NR Principal Deficiency Sub-Ledger means a sub-ledger on the Funding 1 Principal Deficiency Ledger which specifically records any principal deficiency in respect of any NR Loan Tranches or, where the context requires, the comparable ledger for a Further Funding Company,

NR VFN Loan Tranche means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of, and Increase Amounts under, a Class Z Variable Funding Note,

Offer Conditions means the terms and conditions applicable to a specific Loan as set out in the relevant offer of advance to the Borrower,

Original Bullet Loan Tranche means any Funding 1 Loan Tranche under the Intercompany Loan Agreement which at any time has been a Bullet Loan Tranche (even if such Funding 1 Loan Tranche has subsequently become a Pass-Through Loan Tranche),

Original Pass-Through Loan Tranche means a Loan Tranche which, at the time it was advanced, was a Pass-Through Loan Tranche,

Original Scheduled Amortisation Instalment means that part of a Scheduled Loan Amortisation Tranche which at any time has been a Scheduled Amortisation Instalment (even if such Scheduled Loan Amortisation Tranche has subsequently become a Pass-Through Loan Tranche),

Original Scheduled Amortisation Loan Tranche means a Loan Tranche which at any time has been a Scheduled Amortisation Loan Tranche (even if such Loan Tranche has subsequently become a Pass-Through Loan Tranche),

Outstanding Balance Notice means a notice from the Seller to the Mortgages Trustee pursuant to clause 8 4(e) of the Mortgage Sale Agreement in the form set out in schedule 19 to the Mortgage Sale Agreement,

Outstanding Principal Amount means, in relation to any Intercompany Loan or Loan Tranche or New Loan Tranche (other than an NR VFN Loan Tranche), the original principal amount thereof on the date that it is made to Funding 1 less any payments of principal in respect thereof, except if and to the extent that any such payment has been improperly withheld or refused and, in relation to an NR VFN Loan Tranche, the original principal amount thereof on the date that it is made to Funding 1 plus each Increase Amount less any payments of principal in respect thereof, except if and to the extent that any such payment has been improperly withheld or refused,

Outstanding Principal Balance means, in relation to a Loan at any date (the **determination date**), the aggregate principal balance of the Loan at such date (but avoiding double counting) including

(a) the original principal amount advanced by the Seller to the relevant Borrower, and

(b) any increase in the principal amount due under the Loan due to the Borrower making Cash Withdrawals, taking Payment Holidays or making Underpayments, or a Further Advance being made available to the Borrower,

less any prepayment (including any decrease in the principal amount due under that Loan due to the Borrower making Overpayments), repayment or payment of the foregoing made on or prior to the determination date,

Overpayment means a payment by a Borrower in an amount greater than the Monthly Payment then due on the Loan,

Panel Bank Guidelines means the guidelines set by the Cash Manager from time to time for the purpose of depositing amounts standing to the credit of the Funding 1 Transaction Account with Eligible Banks subject to and in accordance with the terms of the Cash Management Agreement and which are, as at the date hereof, as set out in schedule 4 to the Cash Management Agreement,

Part VII Effective Date means 28 May 2010,

Part VII Order means an order published on 13 May 2010 by the High Court sanctioning the Part VII Scheme,

Part VII Scheme means a banking business transfer scheme pursuant to which the entire business of Alliance & Leicester, and all related assets and liabilities, were transferred to, and vested in or became liabilities of (as applicable), Santander UK, which scheme became effective on the Part VII Effective Date,

Pass-Through Loan Tranche means a Loan Tranche which has no Scheduled Repayment Date(s) other than the Final Repayment Date The Pass-Through Loan Tranches of Funding 1 from time to time will be all the Loan Tranches other than the Cash Accumulation Loan Tranches,

Pass-Through Trigger Event means

(a) a Trigger Event occurs,

(b) a Note Acceleration Notice is served by the Note Trustee on the Issuer, or

(c) an Intercompany Loan Acceleration Notice is served by the Issuer on Funding 1,

Payment Holiday means the period of time that a Borrower refrains from making payments of interest and principal under a Loan without penalty,

PECOH Corporate Services Agreement means the agreement dated the Initial Closing Date between the PECOH Corporate Services Provider, Funding 1, Alliance & Leicester and the Funding 1 Security Trustee for the provision by the PECOH Corporate Services Provider of certain corporate services and personnel to PECOH (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

PECOH Corporate Services Fee Letter means the letter dated the date of the PECOH Corporate Services Agreement between, *inter alios*, PECOH, Funding 1, the Funding 1 Security Trustee and the PECOH Corporate Services Provider, setting out the amount of fees payable to the PECOH Corporate Services Provider by Funding 1,

PECOH Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Post-Enforcement Call Option Holder under the PECOH Corporate Services Agreement,

Perfection means the perfection of certain matters relating to the sale and purchase of the Portfolio as contemplated in, pursuant to and in accordance with clause 6 of the Mortgage Sale Agreement,

Permitted Product Switch means a variation in the financial terms and conditions of a Loan in which a Borrower exchanges its then current Loan product for a different Loan product offered by the Seller, provided that

(a) the relevant Borrower has made at least one monthly payment on its then current Loan product,

(b) the new Loan for which the prior Loan is to be exchanged is a Permitted Replacement Loan,

(c) the conditions in clause 4 2 of the Mortgage Sale Agreement (other than conditions (e) and (h)) are satisfied, provided that conditions (i), (j) and (l) in that clause will only be required to have been satisfied on the date of the most recent assignment of Loans to the Mortgages Trustee),

(d) the Interest-Only Mortgages Level Test is satisfied, which it will be if, as calculated on the most recent trust calculation date $A/B \times 100 \leq C$

where

A = the Current Balance of all interest-only Loans (which, for the avoidance of doubt includes interest-only components of combination repayment and interest-only Loans) comprised in the Trust Property as at the relevant Trust Calculation Date,

B = the Current Balance of all Loans comprising the Trust Property as at the relevant Trust Calculation Date, and

C = the number specified in the most recent Final Terms, and

(e) the Product Switch is not a variation or arrangement agreed with a Borrower made pursuant to the Homeowner Mortgage Support Scheme as set out by H M Treasury in a press notice on 10 December 2008 and as set out in further detail by the Department for Communities and Local Government in a press notice on 21 April 2009 (or a comparable scheme operated by the Seller),

Permitted Replacement Loan means a Loan

(a) that is either a Fixed Rate Loan, a Variable Rate Loan or a Base Rate Loan,

(b) that has a maturity date prior to the Maximum Loan Maturity Date, and

(c) to which the purchase obligations of the Seller under clause 8 3 of the Mortgage Sale Agreement shall not apply,

Personal Data means any information of whatever nature satisfying the definition of 'personal data' in the Data Protection Act 1998 that, by whatever means, is provided to the Data Processor by the Data Controller, is accessed by the Data Processor on the authority of the Data Controller or is otherwise received by the Data Processor on the Data Controller's behalf, for the purposes of the Processing specified in the Servicing Agreement,

Portable Loan means a Loan (other than a Variable Rate Loan) that incorporates a portability facility, which allows the Borrower to transfer the loan balance at the same interest rate and subject to all the existing terms and conditions to a new Property during any applicable Discount Rate Period, Fixed Rate Period or Premium Rate Period,

Portfolio means, at any time, the Loans and their Related Security sold to or held on trust for the Mortgages Trustee on trust for the Beneficiaries,

Post-Enforcement Call Option Holder means Fosse PECOH Limited (registered number 5925699), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Post-Perfection SVR-LIBOR Margin means 2 95% or any other percentage as specified as such in the most recent Final Terms,

Potential Intercompany Loan Event of Default means the occurrence of any event which with the giving of notice, any relevant certificate, the lapse of time or fulfilment of any other condition (or any combination of the foregoing) could become an Intercompany Loan Event of Default,

Potential Note Event of Default means the occurrence of an event which with the giving of notice, any relevant certificate, the lapse of time or fulfilment of any other condition (or any combination of the foregoing), could become a Note Event of Default,

Potential Seller Principal Distribution Amount has the meaning given to it in clause 4 10(c) of the Cash Management Agreement,

Pre-Agreed Further Advance means (other than in respect of a Flexible Loan) an advance made following a request from an existing Borrower for a further amount to be lent to him or her under his or her Mortgage, where the Seller has an obligation to accept that request,

Premium Rate Period means the period of time during which a Base Rate Loan is subject to the Base Rate-Linked Rate,

Principal Amount Outstanding has the meaning given in Condition 5 3 of the Notes,

Principal Deficiency Ledger has the same meaning as Funding 1 Principal Deficiency Ledger,

Principal Deficiency Sub-Ledger has the same meaning as Funding 1 Principal Deficiency Sub-Ledger,

Principal Ledger means the ledger of such name maintained by the Cash Manager on behalf of the Mortgages Trustee, pursuant to the Cash Management Agreement and clause 16 of the Mortgages Trust Deed, to record the Principal Receipts on the Loans and distributions of such Principal Receipts to the Beneficiaries,

Principal Payment Rate or **PPR** means the average monthly rolling principal payment rate on the Loans for the 12 months immediately preceding the relevant Distribution Date calculated on each such date by

(a) dividing (i) the aggregate Principal Receipts received in relation to the Loans during the immediately preceding month on such calculation date by (ii) the aggregate Outstanding Principal Balance of the Loans on the previous calculation date,

(b) aggregating the result of the calculation in (a) above with the results of the equivalent calculation made on each of the eleven most recent calculation dates during the relevant 12 month period, and

(c) dividing the result of the calculation in (b) above by 12,

Principal Receipts means all principal amounts received from Borrowers in respect of the Loans or otherwise paid or recovered in respect of the Loans and their Related Security representing monthly repayments of principal, prepayments or overpayments of principal, redemption proceeds and amounts recovered on enforcement representing principal on the Loans (but excluding principal received or treated as received in respect of a Loan subsequent of enforcement procedures and certain Early Repayment Charges) and amounts received on repurchase or release from the CCA Mortgages Trust of the Loans equal to their Outstanding Principal Balance,

Processing has the meaning given to it in the Data Protection Act 1998,

Product Switch means a variation to the financial terms or conditions included in the Mortgage Terms applicable to a Loan other than any variation

(a) agreed with a Borrower to control or manage arrears on a Loan,

(b) of the maturity date of a Loan unless, while any Intercompany Loan is outstanding, it is extended beyond the Maximum Loan Maturity Date,

(c) imposed by statute (excluding any variation or arrangement agreed with a Borrower made pursuant to the Homeowner Mortgage Support Scheme as set out by H M Treasury in a press notice on 10 December 2008 and as set out in further detail by the Department for Communities and Local Government in a press notice on 21 April 2009 (or a comparable scheme operated by the Seller)),

(d) of the rate of interest payable in respect of the Loan where that rate is offered to the Borrowers of more than 10 per cent by Current Balance of Loans in the Trust Property as calculated on the next Trust Calculation Date as at the end of the immediately preceding Trust Calculation Period (except where such variation would cause the yield of the Loans comprising the Trust Property to be less than the Minimum Yield (after taking into account the average yield on the Loans which are Variable Rate Loans, Base Rate Loans and Fixed Rate Loans and the margins on the Funding 1 Swap(s) (and the relevant swaps of any Further Funding Companies, where applicable)), and/or

(e) in the frequency with which the interest payable in respect of the Loan is charged,

Programme means the programme of issuance of Notes by the Issuer and any New Issuers, where all or part of the proceeds of the issue of Notes will be on-lent to Funding 1 under the Intercompany Loan Agreement and any New Intercompany Loans,

Programme Agreement means the agreement entered into on or around the Initial Closing Date between the Issuer, Funding 1 and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Programme Pass-Through Loan Tranches in relation to any Intercompany Loan has the meaning given in Part 2 of schedule 4 to the Funding 1 Deed of Charge,

Properties in Possession Cover means the properties in possession cover written by Zurich Insurance Company (policy number 12/006419/41048361) for Loans originated by the Seller and any endorsements or extensions thereto as issued from time to time, or any such similar alternative or replacement properties in possession policy or policies as may be effected from time to time to cover the Seller in respect of Loans and their Related Security, such other properties in possession policy or policies to provide such level of cover as would be acceptable to a Reasonable, Prudent Mortgage Lender at the date of such other policy or policies,

Property means a freehold, heritable, leasehold or common hold property (or in Scotland a property held under a long lease) which is subject to a Mortgage,

Provisional Initial Portfolio means the portfolio of Loans and their Related Security, particulars of which were set out in the document stored upon the CD-ROM which accompanied Part 1 of Appendix 1 to the Mortgage Sale Agreement dated 28 November 2006, and all right, title, interest and benefit of the Seller in and to

(a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest and Capitalised Arrears) and other sums due or to become due in respect of such Loans and Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on all covenants and any undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Terms,

(b) subject where applicable to the subsisting rights of redemption of Borrowers, all Deeds of Consent, MH/CP Documentation, Deeds of Postponement, all third party guarantees and any other collateral security for the repayment of the relevant Loans secured by the Mortgages,

(c) the right to exercise all the powers of the Seller in relation thereto,

(d) all the estate and interest in the Properties vested in the Seller,

(e) each Certificate of Title and Valuation Report and any right of action of the Seller against any solicitor, licensed conveyancer, qualified conveyancer, Valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with such Loans and their Related Security, or any part thereof or affecting the decision of the Seller to make or offer to make any such Loan or part thereof,

(f) all rights, title and interests of the Seller (both present and future) (including, without limitation, the proceeds of all claims to which the Seller is entitled) under the Insurance Policies, and

(g) all proceeds from the enforcement of such Loans and their Related Security,

Purchase Price means the sum of (i) the Initial Purchase Price, (ii) the Deferred Purchase Price and (iii) the covenant of the Mortgages Trustee to hold the Trust Property on trust for, *inter alios*, the Seller pursuant to the terms of the Mortgages Trust Deed,

Qualifying Noteholder means a person which is beneficially entitled to interest in respect of the Class Z Variable Funding Note and is

(i) a company resident in the United Kingdom for United Kingdom tax purposes,

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Class Z Variable Funding Notes in computing the chargeable profits (for the purposes of Section 19 of the Corporation Tax Act 2009 (the CTA)) of that company, or

(iii) a partnership each member of which is

(A) a company resident in the United Kingdom, or

(B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA) the whole of any share of a payment of interest in respect of the Class Z Variable Funding Notes that is attributable to it by reason of Part 17 of the CTA

Quarter means the period commencing on (and including) a Quarter Date (or, in the case of the first Quarter, the Initial Closing Date) and ending on (and excluding) the next Quarter Date,

Quarter Dates means the 18th day of any of the following months (or any one of such dates occurring annually or two of such dates occurring semi-annually) as specified in the Final Terms for the payment of interest and/or principal on the relevant Notes and (as applicable) any corresponding Loan Tranche

(a) January, April, July and October, or

(b) February, May, August and November, or

(c) March, June, September and December,

Quarterly CPR on any date means the average of the three most recent CPRs,

Rating Agencies means, in respect of any Rated Notes, S&P, Moody's and/or Fitch and any further or replacement rating agency appointed by the Issuer with the approval of the Note Trustee to give a credit rating to the Notes of any Series and/or Class,

Rating Agency Excess Spread is calculated, on any date, as

(a) the product of

$$\frac{X + Y}{2}$$

and the aggregate Outstanding Principal Balance of the Loan Tranches outstanding under the Intercompany Loan less the amount debited to the Funding 1 Principal Deficiency Ledger at such date,

less

(b) the product of the weighted average interest rate of the outstanding Notes at such date, including any Notes issued on such date (subject to adjustment where the Step-Up Date occurs for any Series and Class of Notes and taking into account the margins on the Issuer Swaps as at such date and the expenses of the Issuer ranking in priority to payments on such Notes) and the aggregate Principal Amount Outstanding of such Notes at such date,

where

X = the weighted average yield on the Loans in the Portfolio at such date, together with New Loans (if any) to be assigned to the Mortgages Trustee on such date (taking into account the margins on the Funding 1 Swap(s) as at such date), and

Y = LIBOR for 3 month Sterling deposits plus 1 0 per cent (or any higher percentage as specified in the most recent Final Terms),

Rated Notes means the Notes that have been rated by one or more of the Rating Agencies, being (as at the date hereof) the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes and the Class D Notes of the Issuer,

Reasonable, Prudent Mortgage Lender means a reasonably prudent prime residential mortgage lender lending to borrowers in England, Wales, Scotland and Northern Ireland who generally satisfy the lending criteria of traditional sources of residential mortgage capital,

Receiver means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Funding 1 Charged Property by the Funding 1 Security Trustee pursuant to clause 13 1 of the Funding 1 Deed of Charge and/or the Issuer Deed of Charge,

Recipient Funding Company has the meaning given in clause 8 1(b) of the Mortgages Trust Deed,

Redemption Fee means the standard redemption fee charged to the Borrower by the Seller where the Borrower makes a repayment of the full outstanding principal of a Loan,

Reference Banks means the principal London office of each of Barclays Bank PLC, Citibank, N A and The Royal Bank of Scotland plc and/or such other bank as may be appointed agent bank from time to time pursuant to the Paying Agent and Agent Bank Agreement,

Refinancing Contribution means a Contribution by way of cash payable made by a Beneficiary to the Mortgages Trustee pursuant to clause 8 1 of the Mortgages Trust Deed,

Refinancing Distribution means amounts held by the Mortgages Trustee on any date in respect of any Refinancing Contribution paid by a Beneficiary to the Mortgages Trustee which will be allocated and paid by the Mortgages Trustee to the Recipient Funding Company pursuant to clause 8 of the Mortgages Trust Deed,

Refinancing Notice has the meaning given in clause 8 1(b) of the Mortgages Trust Deed,

Registered Land means land in England and Wales, title to which is, or is required to be, registered at the Land Registry or land in Northern Ireland, title to which is, or is required to be, registered at the Land Registry of Northern Ireland,

Registered Land Transfer means a deed of transfer of a Mortgage or Mortgages over Properties title to which is registered in the Land Registry of Northern Ireland substantially in the form set out in schedule 16 to the Mortgage Sale Agreement,

Registered Transfer means a deed of transfer of a Mortgage or Mortgages over Registered Land in England and Wales substantially in the form set out in schedule 2 to the Mortgage Sale Agreement,

Registers of Northern Ireland means the Land Registry of Northern Ireland and the Registry of Deeds, Belfast,

Registers of Scotland means the Land Register of Scotland and/or the General Register of Sasines,

Regulated Activities Order means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001,

Regulatory Authority means the Prudential Regulation Authority, the Financial Conduct Authority, the Competition and Markets Authority, the Information Commissioner and any other regulatory or supervisory body with jurisdiction over any party to any of the Transaction Documents,

Related Security means, in relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Portfolio sold to or held on trust for the Mortgages Trustee pursuant to clause 2 1 or clause 4 1 of the Mortgage Sale Agreement including (without limitation)

(a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent, Deeds of Postponement and MH/CP Documentation) from occupiers and other persons having an interest in or rights in connection with the relevant Property,

(b) each right of action of the Seller against any person (including, without limitation, any Valuer, licensed or qualified conveyancer, solicitor and any registrar or registry) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given

or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan, and

(c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, returns of premium and proceeds of claims under) Insurance Policies (including the Buildings Policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and Customer Files,

Relevant Accumulation Amount means the amount of funds to be accumulated over a Cash Accumulation Period in order to repay a Bullet Loan Tranche or a Scheduled Amortisation Instalment on its Scheduled Repayment Date whether or not actually repaid on that Scheduled Repayment Date,

Relevant Margin means, in respect of any Loan Tranche

(a) and prior to the Step-up Date, the Initial Loan Tranche Margin, and

(b) from the Step-up Date, the Stepped-Up Loan Tranche Margin,

Relevant Refinancing Distribution has the meaning given in clause 6 2(c) of the Funding 1 Deed of Charge,

Relevant Screen Rate means, in relation to each Intercompany Loan (a) in respect of the first Funding 1 Interest Period, the "Initial Relevant Screen Rate" specified in the relevant Loan Tranche Supplement and (b) in respect of subsequent Interest Periods, the London Interbank Offered Rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for three-month Sterling deposits or, following the occurrence of a Pass-Through Trigger Event, one-month Sterling deposits, in each case displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or such replacement Thomson Reuters page which displays that information) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters or, if such page or service ceases to be available, such other screen service as may be determined by Funding 1 with the approval of the Funding 1 Security Trustee (which shall not be unreasonably withheld) (rounded upwards, if necessary, to five decimal places),

Repayment Requirement means, on a Trust Calculation Date, the amount, if any, by which the aggregate of all principal amounts that will be due and payable by a Funding Company on the next Funding Company Payment Date in respect of the Funding Company Loan Tranches made to that Funding Company on the basis that

(a) there would be no deferral in relation to Funding Company Loan Tranches due to the operation of applicable deferral rules (e g in respect of Funding 1 (separate rules may apply to Further Funding Companies) pursuant to Rule (1) set out in paragraph 2 2 of Part 2 of schedule 4 to the Funding 1 Deed of Charge),

(b) in respect of Funding 1 only (separate rules may apply to Further Funding Companies), where Rule (2) or Rule (3) as set out in paragraph 2 2 of part 2 of schedule 4 to the Funding 1 Deed of Charge applies to an Intercompany Loan, the amount so payable by Funding 1 in respect of Loan Tranches and New Loan Tranches (where applicable) (other than Bullet Loan Tranches and Scheduled Amortisation Instalments) under that Intercompany Loan shall be treated as the lowest of

(A) the amount due and payable in respect of those Loan Tranches and New Loan Tranches (where applicable),

(B) the aggregate amount that may be repaid by Funding 1 on a Funding 1 Interest Payment Date in respect of those Loan Tranches and New Loan Tranches (where applicable) (if Rule (2) as set out in paragraph 2 2 of part 2 of schedule 4 to the Funding 1 Deed of Charge applies), and

(C) the remaining Mortgages Trust Available Principal Receipts after paying or providing for amounts set out in items (a) to (c) (inclusive) of the Mortgages Trust Principal Priority of Payments,

(c) Funding Company Loan Tranches will be treated as due and payable if they are already due and payable, or would become due and payable on or before the next Funding Company Payment Date in accordance with the relevant Funding 1 Priority of Payments or, in respect of each Further Funding Company, the relevant priorities of payments for that Further Funding Company, and

(d) the amounts due and payable to that Funding Company in respect of Bullet Loan Tranches and Scheduled Amortisation Instalments are excluded,

exceeds the sum of

(i) the amounts standing to the credit of the Funding 1 Principal Ledger and the corresponding ledgers of each Further Funding Company (if any) as at the last Funding Company Payment Date (which amount was not distributed on that Funding Company Date), and

(ii) the sum of each Repayment Requirement amount paid to the relevant Funding Company on a previous Distribution Date during the relevant Funding Company Interest Period,

Repayment Tests means Rules (1) and (2), each as set out in Part 2 (*Funding 1 Pre-Acceleration Principal Priorities of Payments*) of schedule 4 (*Funding 1 Priority of Payments*) to the Funding 1 Deed of Charge,

Representations and Warranties means, with respect to a Loan, the representations and warranties set out in schedule 1 to the Mortgage Sale Agreement as in effect as of the date such Loan was added to the Portfolio or, in the case of a Product Switch or Further Advance, the date such Product Switch or Further Advance was made,

Reserve Funds means the General Reserve Fund and the Liquidity Reserve Fund,

Reserve Principal Payments means

(i) prior to the occurrence of a Trigger Event

(a) repayments of principal which are then due and payable in respect of the Original Bullet Loan Tranches, and

(b) repayments of principal in respect of Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only, and

(ii) on or after the occurrence of a Trigger Event, repayments of principal in respect of Original Bullet Loan Tranches and Original Scheduled Amortisation Loan Tranches on their respective Final Maturity Dates only,

Revenue Ledger means the ledger maintained by the Cash Manager on behalf of the Mortgages Trustee pursuant to the Cash Management Agreement and clause 16 of the Mortgages Trust Deed to

record Revenue Receipts received from the Mortgages Trustee and payment of the same to Beneficiaries on each Distribution Date The Revenue Ledger and the Principal Ledger together reflect the aggregate of all amounts of cash standing to the credit of the Mortgages Trustee GIC Account,

Revenue Receipts means each payment received by the Mortgages Trustee in respect of any Loan, whether as all or part of a Monthly Payment in respect of such Loan, on redemption (including partial redemption) of such Loan, on enforcement of such Loan (including the proceeds of sale of such Loan), on the disposal of such Loan or on the repurchase or release from the CCA Mortgages Trust of such Loan or otherwise (including payments pursuant to any Insurance Policy) which in any such case is not a Principal Receipt in respect of such Loan or a Third Party Amount,

S&P and **Standard & Poor's** means Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Services Europe Limited and includes any successor to its rating business,

Sale Date means the date on which any New Portfolio is sold to or becomes subject of a trust for the Mortgages Trustee in accordance with clause 4 of the Mortgage Sale Agreement,

Santander UK means Santander UK plc (formerly Abbey National plc),

Santander A-2/P-2/F2 Account means a bank account held at and maintained with Santander UK as Eligible Bank under the Panel Bank Guidelines whilst it maintains its current FSMA authorisations to accept deposits and

(a) the short-term, unsubordinated, unguaranteed and unsecured debt obligations of Account Bank B are rated below P-1 but at least P-2 by Moody's, and

(b) the short-term and long-term "Issuer Default Ratings" of Account Bank B are rated below F1+ and AA- but at least F2 and BBB+ (respectively) by Fitch, and

(c) the unsubordinated, unguaranteed and unsecured debt obligations of Account Bank B are rated below A-1+ short-term and AA long-term but at least A-2 short-term and BBB+ long-term by S&P,

Sasine Transfer means, in relation to Properties situated in Scotland title to which is recorded in the General Register of Sasines, each assignation of the relevant Scottish Loans and their related Scottish Mortgages in the form set out in schedule 12 to the Mortgage Sale Agreement with such modifications as may be required from time to time,

Scheduled Amortisation Instalment means that part of a Scheduled Amortisation Loan Tranche which is payable on each of the Scheduled Repayment Dates of that Loan Tranche specified in the relevant Final Terms and, following the last such specified Scheduled Repayment Date, on each Funding 1 Interest Payment Date thereafter, the Outstanding Principal Amount of that Loan Tranche,

Scheduled Amortisation Loan Tranche means any Funding 1 Loan Tranche which is initially scheduled to be repaid in multiple instalments (being Scheduled Amortisation Instalments) on Scheduled Repayment Dates in accordance with the terms of the relevant debt instruments of Funding 1 and which are designated as Scheduled Amortisation Loan Tranches in the applicable Loan Tranche Supplement and the accompanying Final Terms A Scheduled Amortisation Loan Tranche will be deemed to be a Pass-Through Loan Tranche if a Pass-Through Trigger Event occurs,

Scheduled Amortisation Repayment Restrictions means, on a Funding 1 Interest Payment Date

(a) where there is not a Bullet Accumulation Shortfall at that time, the total amount withdrawn from the Cash Accumulation Ledger on that Funding 1 Interest Payment Date for repayment of the relevant Scheduled Amortisation Instalments shall not exceed the Cash Accumulation Ledger Amount less the Bullet Accumulation Liability at that time, and

(b) where there is a Bullet Accumulation Shortfall at that time

(i) no amount may be withdrawn from the Cash Accumulation Ledger on that Funding 1 Interest Payment Date to be applied in repayment of the relevant Scheduled Amortisation Instalments, and

(ii) thereafter, an amount may only be applied in repayment of the relevant Scheduled Amortisation Instalments if the sum of the Cash Accumulation Ledger Amount and the amount of Funding 1 Available Principal Receipts after the application of items (b) and (c) and before item (d) of the Funding 1 Pre-Acceleration Principal Priority of Payments is greater than the Bullet Accumulation Liability of Funding 1 at that time,

Scheduled Repayment Date means the Funding 1 Interest Payment Date when Funding 1 is required to repay a Bullet Loan Tranche or make a Scheduled Amortisation Instalment in respect of a Scheduled Amortisation Loan Tranche,

Scottish CCA Mortgages means the Scottish Loans which are CCA Mortgages and their Related Security,

Scottish Declaration of Trust means each declaration of trust entered into among the Seller, the Mortgages Trustee and the Funding Companies pursuant to clauses 3 1 or 4 8 of the Mortgage Sale Agreement substantially in the form set out in schedule 13 to the Mortgage Sale Agreement transferring the beneficial interest in Scottish Loans and their Related Security to the Mortgages Trustee,

Scottish Loan means a Loan which is secured by a Scottish Mortgage,

Scottish Mortgage means a Mortgage secured over a Property in Scotland,

Scottish Transfers means each Sasine Transfer and each SLR Transfer,

Scottish Trust Property means the aggregate of all Scottish Trust Property as defined in each relevant Scottish Declaration of Trust,

Secretarial Services Agreement means the agreement entered into on the Initial Closing Date pursuant to which Santander UK agrees to provide secretarial services to each of the Issuer, Funding 1, Holdings and PECOH (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Secured Amounts means any and all of the moneys and liabilities which an Issuer covenants to pay or discharge under the relevant Issuer Deed of Charge and all other amounts owed by it to the Beneficiaries under and pursuant to the relevant Transaction Documents,

Securities Act means the United States Securities Act of 1933, as amended,

Security Interest or **Encumbrance** means any mortgage, sub mortgage, standard security, charge, sub charge, pledge, lien (other than a lien arising in the ordinary course of business or by operation

of law), assignation in security or other encumbrance or security interest howsoever created or arising,

Security Power of Attorney means the power of attorney granted by Funding 1 in favour of the Funding 1 Security Trustee under the Funding 1 Deed of Charge on the Initial Closing Date substantially in the form set out in schedule 5 to the Funding 1 Deed of Charge,

Seller means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK,

Seller Accrued Interest Amounts means amounts of accrued interest on the Loans up to and excluding their sale into the Mortgages Trust,

Seller Bank Accounts means the bank account(s) of the Seller into which monies may be paid from time to time pursuant to the terms of the Mortgages Trust Deed, details of which will be given to the Mortgages Trustee and Funding 1,

Seller Contribution means a Contribution by way of cash payable, pursuant to clause 6 2 of the Mortgages Trust Deed, by the Seller to the Mortgages Trustee,

Seller Insurance Policy means the Lender Interest-Only Policy, the Title Insurance Policy and the Properties in Possession Cover,

Seller Power of Attorney means the power of attorney granted by the Seller in favour of Funding 1, the Mortgages Trustee and the Funding 1 Security Trustee on the Initial Closing Date, substantially in the form set out in schedule 5 to the Mortgage Sale Agreement,

Seller Share means, only in respect of the period prior to the first Trust Calculation Date, the Initial Seller Share and thereafter means the amount as determined in accordance with clauses 11 8 and 11 9 of the Mortgages Trust Deed,

Seller Share Ledger means the ledger to be maintained by the Cash Manager in accordance with the Cash Management Agreement to record the Current Seller Share and the Current Seller Share Percentage,

Seller Share Percentage means, in respect of the period prior to the first Trust Calculation Date, the Initial Seller Share Percentage and thereafter means the percentage share of the Seller in the Trust Property from time to time, as determined in accordance with clause 11 7 of the Mortgages Trust Deed,

Seller Variable Rate means the variable rates that apply to that type of variable rate loan beneficially owned by the Seller outside the Portfolio,

Seller's Policy means the originating, underwriting, administration, arrears and enforcement policy applied by the Seller from time to time to loans and the security for their repayment which are beneficially owned solely by the Seller,

Series means all Classes of Notes issued on a given day and any Class of Notes issued on any other day which (a) is expressed to be consolidated, and (b) is identical in all respects (including as to listing) except for Closing Date, Interest Payment Date and issue price with any Class of Notes issued on such given day,

Servicer means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK, or such other person as may from time to time be appointed as servicer of the Portfolio pursuant to the Servicing Agreement,

Servicer Termination Event means any of the events listed in clause 21 of the Servicing Agreement,

Services has the meaning set out in clause 3 1(a) of the Servicing Agreement,

Servicing Agreement means the agreement entered into on the Initial Closing Date between the Servicer, the Mortgages Trustee, the Funding 1 Security Trustee, Funding 1 and the Seller pursuant to which the Servicer agrees to administer the Loans and their Related Security comprised in the Portfolio (as the same may be amended, restated, varied, supplemented and/or novated from time to time),

Share means the Seller Share, the Funding 1 Share and/or each Further Funding Company Share, as the context requires,

SLR Transfer means, in relation to Properties situated in Scotland title to which is registered or is in the course of being registered in the Land Register of Scotland, each assignation of the relevant Scottish Loans and their related Scottish Mortgages in the form set out in schedule 11 to the Mortgage Sale Agreement with such modifications as may be required from time to time,

Special Distribution means amounts held by the Mortgages Trustee on any date in respect of any Further Contribution (other than a Refinancing Contribution) paid by any Funding Company to the Mortgages Trustee on that date which will be allocated and paid by the Mortgages Trustee to the Seller as a distribution pursuant to clause 5 1 of the Mortgages Trust Deed,

Standard Documentation means the standard documentation, a list of which is set out in Part 2 of Appendix 1 to the Mortgage Sale Agreement and copies of which have been initialled on behalf of the initial parties thereto for the purposes of identification, or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender,

Standard Security or **standard security** means a standard security as defined in Part II of the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended,

Step-Up Date means

(a) in respect of any Intercompany Loan, the Funding 1 Interest Payment Date on which the interest rate payable in respect of the relevant Loan Tranches made thereunder increases by a pre-determined amount, and

(b) in respect of any Notes, the date on which the interest rate payable by the Issuer in respect of those Notes increases by a pre-determined amount as specified in the applicable Final Terms,

Stepped-Up Loan Tranche Margin means, in respect of any Loan Tranche, the margin per annum specified as such in the applicable Loan Tranche Supplement

Subsidiary means a subsidiary as defined in section 1159 of Companies Act 2006,

TARGET Business Day means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system which was launched on 19 November 2007 is open,

Taxes means all present and future taxes, levies, imposts, duties (other than stamp duty), fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including, without limitation, income tax, corporation tax, value added tax or other tax in respect of added

value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and **Tax** and **Taxation** shall be construed accordingly,

Third Party Amounts includes

(a) amounts under a direct debit which are repaid to the bank making the payment if such a bank is unable to recoup that amount itself from the customer's account,

(b) payments by Borrowers of any fees and other charges which are due to the Seller (including payments of insurance premiums, if any, due to the Seller in respect of any Seller arranged insurance policy to the extent not paid or payable by the Seller (or to the extent such insurance premiums have been paid by the Seller in respect of any Loan, which is not repurchased by the Seller, to reimburse the Seller)), or

(c) recoveries in respect of amounts deducted from Loans as described in paragraphs (i) to (iv) of clause 11 6(a) of the Mortgages Trust Deed, which will belong to and be paid to the Funding Companies and/or the Seller as described therein,

Third Party Collection Agent means an entity that shall act as collection agent for the Mortgages Trustee and the Beneficiaries under the Direct Debiting Scheme or any successor to that scheme pursuant to clause 5 1(a)(i) of the Servicing Agreement,

Three Month LIBOR has the meaning given in the Funding 1 Swap Agreement,

Title Deeds means, in relation to each Loan and its Related Security and the Property relating thereto, all conveyancing deeds, land and charge certificates, MH/CP Documentation and all other documents which make up the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the Borrower of the related Mortgage,

Title Insurance Policy means a title insurance policy with First Title Insurance PLC (company registration number 01112603) and referenced HLPP(E&W)8/01, HLPPSCOT8/01 or HLPPNI01/05 or such other entity as may from time to time be appointed to issue such type of policy to the Seller,

Tracker Rate Loan Balance has the meaning given in the Funding 1 Swap Agreement,

Tracker Spread has the meaning given in the Funding 1 Swap Agreement,

Transaction Documents means the Funding 1 Agreements, the Issuer Transaction Documents, any documents and agreements to which any Further Funding Company is a party, any documents and agreements to which any New Issuer is a party, the Mortgages Trustee Bank Account Agreement, the Mortgages Trustee Corporate Services Agreement and all other documents and agreements referred to therein,

Trigger Event means an Asset Trigger Event and/or a Non-Asset Trigger Event, as the case may be,

Trust Calculation Date has the meaning given in clause 11 1 of the Mortgages Trust Deed,

Trust Calculation Period has the meaning given in clause 11 1 of the Mortgages Trust Deed,

Trust Corporation means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees,

Trust Property means

(a) the sum of £100 settled by Sanne Trustee Services Limited on trust on the Initial Closing Date,

(b) the portfolio of Loans and their Related Security sold to or held on trust for the Mortgages Trustee by the Seller at their relevant Sale Dates,

(c) any New Loans and their Related Security sold to or held on trust for the Mortgages Trustee by the Seller after the Initial Closing Date,

(d) any increase in the Current Balance of a Loan due to Borrowers making Underpayments or Cash Withdrawals or taking Payment Holidays under a Loan or a Borrower making a drawing under any Flexible Loan or the Seller making a Further Advance under a Loan or due to any Capitalised Arrears or due to Accrued Interest and other amounts of Arrears in relation to that Loan from time to time,

(e) any Revenue Receipts and Principal Receipts on the Loans in the Portfolio,

(f) any consideration provided to the Mortgages Trustee in the form of Contributions in accordance with clause 4 of the Mortgages Trust Deed, until such Contributions have been applied by the Mortgages Trustee in accordance with the terms of the Mortgages Trust Deed,

(g) any other amounts received under or in respect of the Loans and their Related Security on or after the relevant Sale Date (excluding Third Party Amounts), including any amounts received under the CCA Mortgages Trust and any Scottish Declaration of Trust prior to notice being given by the Mortgages Trustee to the Seller under clause 2 7 of the Mortgages Sale Agreement, the proceeds of any sale of the Loans and their Related Security or release from the CCA Mortgages Trust and any Scottish Declaration of Trust and any other proceeds of sale of any other Trust Property,

(h) any Authorised Investments made by or on behalf of the Mortgages Trustee,

(i) rights under insurance policies that are assigned to the Mortgages Trustee or which the Mortgages Trustee has the benefit of,

(j) amounts on deposit (and interest earned on those amounts) in the Mortgages Trustee GIC Account, and

(k) any other property representing (a) to (j) above,

less

(l) any actual Losses in relation to Loans and any actual reductions (and, for the avoidance of doubt, not deemed reductions) occurring in respect of the Outstanding Principal Balance of the Loans in the circumstances set out in clause 11 2(a) of the Mortgages Trust Deed,

(m) distributions of Revenue Receipts and Principal Receipts made from time to time to the Beneficiaries of the Mortgages Trust Deed, and

(n) Refinancing Distributions and/or Special Distributions made from time to time to the Beneficiaries,

UK Share Trustee means SFM Corporate Services Limited of 35 Great St Helen's, London EC3A 6AP,

Underpayment means a payment made by a Borrower in an amount less than the Monthly Payment then due on the Loan being a sum not exceeding the aggregate of any previous Overpayments,

United Kingdom means The United Kingdom of Great Britain and Northern Ireland,

United States means The United States of America,

Unregistered Land means land in England and Wales title to which is not, and is not required to be, registered at the Land Registry or land in Northern Ireland title to which is registered at the Registry of Deeds, Belfast,

Unregistered Land Transfer means a deed of transfer of a Mortgage or Mortgages over Properties title to which is registered at the Registry of Deeds, Belfast, substantially in the form set out in schedule 17 to the Mortgage Sale Agreement,

Unregistered Transfer means a deed of transfer of a Mortgage or Mortgages over Unregistered Land in England and Wales substantially in the form set out in schedule 3 to the Mortgage Sale Agreement,

Valuation Report means the valuation report or reports for mortgage purposes, in the form of the pro-forma contained in the Standard Documentation, obtained by the Seller from a Valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable, Prudent Mortgage Lender and which has been approved by the relevant officers of the Seller,

Valuer means an Associate or Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers who was at the relevant times either a member of a firm which was on the list of valuers approved by or on behalf of the Seller from time to time or an Associate or Fellow of the Royal Institute of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers employed in-house by the Seller acting for the Seller in respect of the valuation of a Property,

Variable Rate means the rate of interest that applies to that type of Variable Rate Loan in the Portfolio as set, other than in limited circumstances, by the Servicer,

Variable Rate Loan Balance has the meaning given in the Funding 1 Swap Agreement,

Variable Rate Loans means those Loans 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 a specified variable mortgage rate by the relevant Mortgage Terms (and shall, for the avoidance of doubt, exclude Loans during the period that they are Fixed Rate Loans),

Variable Rate Spread has the meaning given in the Funding 1 Swap Agreement,

WAFF means the weighted average foreclosure frequency in respect of the Portfolio (as determined in accordance with the models and assumptions provided by S&P via weblink on a quarterly basis),

WALS means the weighted average loss severity in respect of the Portfolio (as determined in accordance with the models and assumptions provided by S&P via weblink on a quarterly basis),

Weighted Average Funding 1 Share (Losses) Percentage has the meaning given in clause 11 4 of the Mortgages Trust Deed,

Weighted Average Funding 1 Share Percentage has the meaning given in clause 11 4 of the Mortgages Trust Deed,

Weighted Average Funding 1 Share (Principal) Percentage has the meaning given in clause 11 4 of the Mortgages Trust Deed,

Weighted Average Funding 1 Share (Revenue) Percentage has the meaning given in clause 11 4 of the Mortgages Trust Deed,

Weighted Average Further Funding Share (Losses) Percentage has the meaning given in clause 11 5 of the Mortgages Trust Deed,

Weighted Average Further Funding Share Percentage has the meaning given in clause 11 5 of the Mortgages Trust Deed,

Weighted Average Further Funding Share (Principal) Percentage has the meaning given in clause 11 5 of the Mortgages Trust Deed,

Weighted Average Further Funding Share (Revenue) Percentage has the meaning given in clause 11 5 of the Mortgages Trust Deed,

Weighted Average Seller Share Percentage has the meaning given in clause 11 9 of the Mortgages Trust Deed,

Weighted Average Seller Share (Losses) Percentage has the meaning given in clause 11 9 of the Mortgages Trust Deed,

Weighted Average Seller Share (Principal) Percentage has the meaning given in clause 11 9 of the Mortgages Trust Deed, and

Weighted Average Seller Share (Revenue) Percentage has the meaning given in clause 11 9 of the Mortgages Trust Deed

APPENDIX 2

Definitions from the Issuer Master Definitions and Construction Schedule as referred to in Clause 1.1 of the Sixth Supplemental Funding 1 Deed of Charge

In any agreement, instrument or deed expressly and specifically incorporating by reference the Issuer Master Definitions and Construction Schedule, the parties to the Issuer Master Definitions and Construction Schedule hereby agree that the following words and expressions shall, unless otherwise defined therein or unless the context otherwise requires, have the following meanings

2012-1 Closing Date means 23 May 2012,

A Loan Tranche means any Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any Series of Class M Notes,

AA Loan Tranche means any Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any Series of Class B Notes,

AAA Loan Tranche means any Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any Series of Class A Notes,

Abbey National Treasury Services means Abbey National Treasury Services plc a public limited company incorporated under the laws of England and Wales with limited liability (registered number 2338548), whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN,

Accession Agreement has the meaning given to it in the Issuer Master Definitions and Construction Schedule,

Accession Deed means a deed in, or in substantially, the form set out in Schedule 1 to the Issuer Deed of Charge,

Additional Interest has the meaning given (i) in Condition 4 4 in respect of the Notes (other than the Australian Notes) or (ii) in Australian Condition 4 4 in respect of the Australian Notes,

Additional Issuer Account means an account opened pursuant to clause 3 1 of the Issuer Bank Account Agreement in the name of the Issuer and to be held with the Issuer Account Bank in accordance with the Issuer Bank Account Agreement,

Agent Bank means Citibank, N A , London Branch, acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, or such other person for the time being acting as agent bank under the Paying Agent and Agent Bank Agreement,

Agent Liabilities means amounts or claims which the Note Trustee is or would be obliged to pay or reimburse to any of its agents appointed pursuant to the Note Trust Deed,

Agents means the Principal Paying Agent, the US Paying Agent, the Registrar, the Transfer Agent, the Exchange Rate Agent and the Agent Bank, but excluding for the avoidance of doubt the Australian Agents,

Alliance & Leicester means Alliance & Leicester Limited (formerly Alliance & Leicester plc) (registered number 03263713), a private limited company incorporated under the laws of England and Wales, whose registered office is at Carlton Park, Narborough, Leicester LE10 0AL,

Arranger means any institution named as such in the applicable Base Prospectus or Final Terms,

Auditors means Deloitte LLP of 2 New Street Square, London EC4A 3BZ or such other internationally recognised independent firm of auditors selected from time to time by the Issuer with the prior consent of the Original Note Trustee or failing which, as nominated by the Original Note Trustee,

Austraclear means Austraclear Limited (ABN 94 002 060 773),

Austraclear System means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system,

Australian Agency Agreement means the Australian agency and registry services agreement dated 23 May 2012 between the Issuer and the Australian Agents which sets out the appointment of the Australian Agents for the Australian Notes (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Australian Agents means the Australian Calculation Agent, the Australian Issuing Agent, the Australian Paying Agent and the Australian Registrar,

Australian Calculation Agent means Citigroup Pty Limited, a proprietary limited company incorporated under the laws of Australia whose registered office is Level 16, 120 Collins Street, Melbourne VIC 3000, Australia or such other Australian Calculation Agent as may be specified in the relevant Final Terms or such other person for the time being acting as the Australian calculation agent under the Australian Agency Agreement,

Australian Conditions or **Australian Terms and Conditions** means, in respect of the Australian Notes, the terms and conditions applicable to the Australian Notes set out in the Australian Deed Poll, as amended, supplemented, modified or replaced by the Final Terms, and any reference to a numbered Australian Condition will be construed accordingly,

Australian Deed Poll means the deed poll for Australian Notes dated 23 May 2012 executed by the Issuer in favour of the Australian Note Trustee and the Australian Noteholders constituting the Australian Notes (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Australian Dollars denotes the lawful currency for the time being of Australia,

Australian Information Memorandum means, in respect of any Australian Notes, the information memorandum or other offering document referred to in the Final Terms prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of those Australian Notes and all documents incorporated by reference in it, including any applicable Final Terms and any other amendments or supplements to it,

Australian Issuer Charged Documents means the Australian Agency Agreement and the Australian Deed Poll,

Australian Issuing Agent means Citigroup Pty Limited, a proprietary limited company incorporated under the laws of Australia whose registered office is Level 16, 120 Collins Street, Melbourne VIC

3000, Australia or such other Australian Issuing Agent as may be specified in the relevant Final Terms or such other person for the time being acting as the Australian issuing agent under the Australian Agency Agreement,

Australian Note Trustee means BNY Trust Company of Australia Limited, whose address is Level 2, 35 Clarence Street, Sydney NSW 2000, Australia, appointed as a separate trustee under the Note Trust Deed for the purpose of conforming to certain Australian legal requirements, or any successor acting as the Australian Note Trustee under the Note Trust Deed,

Australian Noteholder means the person in whose name an Australian Note is registered in the Australian Register,

Australian Notes means any Series and Class of Notes issued pursuant to the Programme which are constituted by the Australian Deed Poll and which are denominated in Australian Dollars,

Australian Paying Agent means Citigroup Pty Limited, a proprietary limited company incorporated under the laws of Australia whose registered office is Level 16, 120 Collins Street, Melbourne VIC 3000, Australia or such other Australian Paying Agent as may be specified in the relevant Final Terms or such other person for the time being acting as the Australian paying agent under the Australian Agency Agreement,

Australian Register means, in relation to Australian Notes, the register of Australian Noteholders maintained by the Australian Registrar on behalf of the Issuer,

Australian Registrar means Citigroup Pty Limited, a proprietary limited company incorporated under the laws of Australia whose registered office is Level 16, 120 Collins Street, Melbourne VIC 3000, Australia appointed as registrar in respect of the Australian Notes pursuant to the Australian Deed Poll or such other Australian registrar as may be specified in the relevant Final Terms or such other person for the time being acting as the Australian registrar under the Australian Agency Agreement,

Australian Securities Exchange or **ASX** means the Australian Securities Exchange on which any Australian Notes will be listed on the official list therein,

Australian Terms and Conditions has the same meaning as Australian Conditions,

Authorised Denominations means, in respect of any US Dollar Notes, $100,000 and integral multiples of $1,000 in excess thereof and, in respect of any Series and Class of Notes denominated in another Specified Currency, as specified in the applicable Final Terms,

Authorised Investments means

(a) Sterling gilt-edged securities provided that in all cases such investments have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date for the Rated Notes (in relation to any Issuer Bank Account) and having (i) a minimum sovereign long-term rating at least equal to AA- and minimum sovereign short-term rating at least equal to A-1+ by Standard & Poor's and (ii) a minimum sovereign long-term rating at least equal to A1 and minimum sovereign short-term rating at least equal to P-1 by Moody's, and

(b) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper) provided that in all cases such investments have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date for the Notes (in relation to any Issuer Bank Account) and 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 equal to A-1+ by Standard & Poor's and P-1 by Moody's and the short-term "Issuer Default Rating" 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 at least equal to F1+ by Fitch and the long-term "Issuer Default Rating" 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 at least equal to AA- by Fitch (or such other ratings as may be acceptable to the respective Rating Agencies to maintain the then current ratings of the Rated Notes),

and which, in each case, do not consist, in whole or in part, actually or potentially, of tranches of other asset-backed securities, credit-linked notes, swaps or other derivatives instruments or synthetic securities which would result in the recharacterisation of the Programme, the Notes or any transaction under the Transaction Documents as a "re-securitisation" or a "synthetic securitisation" as defined in Articles 4(63) and 242(11), respectively, of Regulation (EU) No 575/2013 (as amended and/or supplemented from time to time),

Authorised Signatory means any authorised signatory referred to in any Issuer Account Mandate,

Bank of Japan Rate means, on any day, the Tokyo overnight average rate for such day as published by the Bank of Japan on Reuters Screen Page TONAT, provided that if such rate is below zero, then it shall be deemed to be zero,

Base Prospectus means, in relation to the Notes, the base prospectus of the Issuer relating to the establishment of the Programme, as updated from time to time, and as supplemented by any supplementary prospectus and the Final Terms relating to each Series and Class of Notes,

Basic Terms Modification has the meaning given in paragraph 5 of schedule 6 to the Note Trust Deed,

BB Loan Tranche means any Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any Series of Class D Notes,

BBB Loan Tranche means any Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any Series of Class C Notes,

Book-Entry Interest means a beneficial interest in a Global Note representing the relevant class of Notes shown on records maintained in book-entry form by DTC, Euroclear or Clearstream, Luxembourg, as the case may be,

Business Day means a day which is a London Business Day, a New York Business Day and a TARGET2 Business Day,

Cash Accumulation Ledger means the ledger of such name maintained by the Cash Manager on behalf of Funding 1 from time to time to accumulate the Relevant Accumulation Amounts,

Cash means cash and/or amounts standing to the credit of a bank account, as the context shall require,

Class A Available Subordinated Amount means, on any date

(a) the sum of (i) the aggregate of the Principal Amounts Outstanding of the Class B Notes of all Series, the Class M Notes of all Series, the Class C Notes of all Series, the Class D Notes of all Series and the Class Z Notes of all Series (after giving effect to repayments of

principal to be made on the Notes on such date), (ii) the aggregate amount of the General Reserve Fund on such date and (iii) the Rating Agency excess spread,

less

(b) the amounts standing to the credit of the Principal Ledger available on such date for the payment of principal on AA Loan Tranches, A Loan Tranches, BBB Loan Tranches, BB Loan Tranches and NR Loan Tranches (after giving effect to any payments of principal to be made on the Loan Tranches on such date),

Class A Noteholders means the holders for the time being of the Class A Notes,

Class A Notes means the Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms,

Class A Required Subordinated Amount means , on any date, the product of

A x B

where

A = the Class A Required Subordinated Percentage as specified in the most recent Final Terms for Class A Notes of any Series, and

B = the Principal Amount Outstanding of all Notes on such date (after giving effect to any payments of principal to be made on the Notes on such date) less the amounts standing to the credit of the Cash Accumulation Ledger and the Principal Ledger available on such date for the repayment of principal on the Loan Tranches (after giving effect to any repayments of principal to be made on the Loan Tranches on such date),

Class A Required Subordinated Percentage means the percentage specified as such in the most recent Final Terms for Class A Notes of any Series,

Class B Available Subordinated Amount means, on any date

(a) the sum of (i) the aggregate of the Principal Amounts Outstanding of the Class M Notes of all Series, the Class C Notes of all Series, the Class D Notes of all Series and the Class Z Notes of all Series (after giving effect to repayments of principal to be made on the Notes on such date), (ii) the aggregate amount of the General Reserve Fund on such date and (iii) the Rating Agency excess spread,

less

(b) the amounts standing to the credit of the Principal Ledger available on such date for the payment of principal on A Loan Tranches, BBB Loan Tranches, BB Loan Tranches and NR Loan Tranches (after giving effect to any payments of principal to be made on the Loan Tranches on such date),

Class B Noteholders means the holders for the time being of the Class B Notes,

Class B Notes means the Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms,

Class B Required Subordinated Amount means, on any date, the product of

A x B

where

A = the Class B Required Subordinated Percentage as specified in the most recent Final Terms for Class B Notes of any Series, and

B = the Principal Amount Outstanding of all Notes on such date (after giving effect to any payments of principal to be made on the Notes on such date) less the amounts standing to the credit of the Cash Accumulation Ledger and the Principal Ledger available on such date for the repayment of principal on the Loan Tranches (after giving effect to any repayments of principal to be made on the Loan Tranches on such date),

Class B Required Subordinated Percentage means, on any date, the percentage specified as such in the most recent Final Terms for Class B Notes of any Series,

Class C Available Subordinated Amount means, on any date

(a) the sum of (i) the aggregate of the Principal Amounts Outstanding of the Class D Notes of all Series and the Class Z Notes of all Series (after giving effect to repayments of principal to be made on the Notes on such date), (ii) the aggregate amount of the General Reserve Fund on such date and (iii) the Rating Agency excess spread,

less

(b) the amounts standing to the credit of the Principal Ledger available on such date for the payment of principal on BB Loan Tranches and NR Loan Tranches (after giving effect to any payments of principal to be made on the Loan Tranches on such date),

Class C Noteholders means the holders for the time being of the Class C Notes,

Class C Notes means the Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms,

Class C Required Subordinated Amount means, on any date, the product of

A x B

where

A = the Class C Required Subordinated Percentage as specified in the most recent Final Terms for Class C Notes of any Series, and

B = the Principal Amount Outstanding of all Notes on such date (after giving effect to any payments of principal to be made on the Notes on such date) less the amounts standing to the credit of the Cash Accumulation Ledger and the Principal Ledger available on such date for the repayment of principal on the Loan Tranches (after giving effect to any repayments of principal to be made on the Loan Tranches on such date),

Class C Required Subordinated Percentage means, on any date, the percentage specified as such in the most recent Final Terms for Class C Notes of any Series,

Class D Available Subordinated Amount means, on any date

(a) the sum of (i) the aggregate of the Principal Amounts Outstanding of the Class Z Notes of all Series (after giving effect to repayments of principal to be made on the Notes on such date), (ii) the aggregate amount of the General Reserve Fund on such date and (iii) the Rating Agency excess spread,

less

(b) the amounts standing to the credit of the Principal Ledger available on such date for the payment of principal on NR Loan Tranches (after giving effect to any payments of principal to be made on the Loan Tranches on such date),

Class D Noteholders means the holders for the time being of the Class D Notes,

Class D Notes means the Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms,

Class D Required Subordinated Amount means, on any date, the product of

A x B

where

A = the Class D Required Subordinated Percentage as specified in the most recent Final Terms for Class D Notes of any Series, and

B = the Principal Amount Outstanding of all Notes on such date (after giving effect to any payments of principal to be made on the Notes on such date) less the amounts standing to the credit of the Cash Accumulation Ledger and the Principal Ledger available on such date for the repayment of principal on the Loan Tranches (after giving effect to any repayments of principal to be made on the Loan Tranches on such date),

Class D Required Subordinated Percentage means, on any date, the percentage specified as such in the most recent Final Terms for Class D Notes of any Series,

Class M Available Subordinated Amount means, on any date

(a) the sum of (i) the aggregate of the Principal Amounts Outstanding of the Class C Notes of all Series, the Class D Notes of all Series and the Class Z Notes of all Series (after giving effect to repayments of principal to be made on the Notes on such date), (ii) the aggregate amount of the General Reserve Fund on such date and (iii) the Rating Agency excess spread,

less

(b) the amounts standing to the credit of the Principal Ledger available on such date for the payment of principal on BBB Loan Tranches, BB Loan Tranches and NR Loan Tranches (after giving effect to any payments of principal to be made on the Loan Tranches on such date),

Class M Required Subordinated Amount means, on any date, the product of

A x B

where

A = the Class M Required Subordinated Percentage as specified in the most recent Final Terms for Class M Notes of any Series, and

B = the Principal Amount Outstanding of all Notes on such date (after giving effect to any payments of principal to be made on the Notes on such date) less the amounts standing to the credit of the Cash Accumulation Ledger and the Principal Ledger available on such date for the repayment of principal on the Loan Tranches (after giving effect to any repayments of principal to be made on the Loan Tranches on such date),

Class M Required Subordinated Percentage means, on any date, the percentage specified as such in the most recent Final Terms for Class M Notes of any Series,

Class M Noteholders means the holders for the time being of the Class M Notes,

Class M Notes means the Notes of any Series designated as such (or a sub-class of such) in the applicable Final Terms,

Class Z Noteholders means the holders for the time being of the Class Z Notes,

Class Z Notes means the Notes designated as such in the applicable Final Terms (including, for the avoidance of doubt, the Class Z Variable Funding Notes),

Class Z Variable Funding Noteholders means the holders for the time being of the Class Z Variable Funding Notes,

Class Z Variable Funding Notes means the Class Z Notes designated as such in the applicable Final Terms,

Clearing Systems means Austraclear, Euroclear, Clearstream, Luxembourg or DTC,

Clearstream, Luxembourg means Clearstream Banking, *société anonyme* or the successor for the time being to its business,

Closing Date means the closing date for the issuance of any Series and Class of Notes as specified in the Final Terms for such Notes,

Common Depositary means Citibank, N A , London Branch, acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, in its capacity as common depositary for Euroclear and Clearstream, Luxembourg,

Common Safekeeper means the common safekeeper for Euroclear and Clearstream, Luxembourg,

Conditions or **Terms and Conditions** means the terms and conditions to be endorsed on the Notes (other than the Australian Notes) in, or in substantially, the form set out in schedule 5 to the Note Trust Deed, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Note Trust Deed and any reference to a numbered Condition shall be construed accordingly,

Conditional Purchase Agreement means any conditional purchase agreement relating to the relevant remarketable notes to be entered into from time to time between the Issuer and a conditional purchaser,

Confirmation Letter means a letter as set forth in part 2 or part 4 of appendix 3 to the Programme Agreement,

Contracts (Rights of Third Parties) Act means the Contracts (Rights of Third Parties) Act of 1999, as amended,

Dealer Accession Letter means a letter as set forth in part 1 or part 3 of appendix 3 to the Programme Agreement,

Dealers means the institutions named as such in the Final Terms relating to any Series and Class of Notes,

Defaulting Party has the meaning given to it in the applicable Issuer Swap Agreement,

Deferred Interest has the meaning given to it (i) in Condition 4 4 in respect of the Notes (other than the Australian Notes) or (ii) in Australian Condition 4 3 in respect of the Australian Notes,

Definitive Notes means Notes (other than Australian Notes) in definitive form,

Delegate Liabilities are amounts or claims which the Note Trustee is, or would be, obliged to pay or reimburse to any of its delegates appointed pursuant to the Note Trust Deed,

Designated Subsidiary has the meaning given in clause 2 2 of the Post-Enforcement Call Option Agreement,

Determination Date means, in respect of any Series and Class of Notes, the date(s) specified as such (if any) for such Notes in the applicable Final Terms,

Distribution Compliance Period means the period until and including the 40th day after the later of the commencement of the offering of the Reg S Notes and the Closing Date,

Dollar Note means any Note that is denominated in US dollars,

DTC Custodian means Citibank, N A , New York Branch, acting through its offices at 388 Greenwich Street, 14th Floor, New York, New York 10013, in its capacity as custodian for DTC,

DTC means The Depository Trust Company,

Dutch Residents means individuals or legal entities who are established, domiciled or have their residence in the Netherlands,

Early Termination Date has the meaning given to it in the applicable Issuer Swap Agreement

ERISA means the United States Employee Retirement Income Security Act of 1974, as amended,

EONIA means the euro overnight interbank average offered rate,

EURIBOR means the euro interbank offered rate as determined, with respect to any Notes (other than Australian Notes) which are Floating Rate Notes, by the Agent Bank in accordance with the Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms,

Euro Note means any Note that is denominated in euro,

Euroclear means Euroclear Bank S A /N V or the successor for the time being to such business,

Event of Default has the same meaning as Note Event of Default,

Excess Swap Collateral means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by an Issuer Swap Provider to the Issuer in respect of that Issuer Swap Provider's obligations to transfer collateral to the Issuer under the relevant Issuer Swap Agreement which is in excess of that Issuer Swap Provider's liability under the relevant Issuer Swap Agreement as at the date of termination of the relevant Issuer Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the relevant Issuer Swap Agreement,

Exchange Act means the United States Securities Exchange Act of 1934, as amended,

Exchange Date means a day specified in the notice requiring exchange falling not more than 60 days after that on which such notice is given and on which banks are open for business in the city in which the specified office of the Registrar is located and in the city in which the relevant clearing system is located,

Exchange Rate means the exchange rate set out in each Issuer Swap Agreement dated on or about the relevant Closing Date,

Exchange Rate Agent means Citibank, N A , London Branch,

Extraordinary Resolution has the meaning set out in paragraph 28 of schedule 6 to the Note Trust Deed,

Federal Funds Rate means the interest rate at which a depository institution lends immediately available funds to another depository institution overnight

Final Maturity Date means, in respect of any Series and Class of Notes, the date specified as such for such Series and Class of Notes in the applicable Final Terms,

Final Redemption means the date on which all monies and other liabilities for the time being due or owing by the Issuer to the Note Trustee on behalf of the Noteholders have been paid in full,

Final Repayment Date means, in relation to a Loan Tranche, the date specified as such in the related Loan Tranche Supplement and applicable Final Terms,

Final Terms means, in relation to any Series of Notes, the final terms issued in relation to such Series of Notes giving details of, *inter alia*, the amount and price of such Series of Notes and which forms part of the Base Prospectus in relation to such Series of Notes,

Financial Conduct Authority means the UK Financial Conduct Authority, or any statutory successor thereto,

Financial Period means a Financial Year or any other period in respect of which accounts are required to be prepared and certified by the auditors of the relevant company to enable it to comply with all relevant legal and accounting requirements and all requirements of any stock exchange on which securities of the company are listed,

Financial Services Authority means the UK Financial Services Authority, or any statutory successor thereto,

Financial Year means, in the case of the Issuer, Holdings, the Mortgages Trustee, Funding 1, and the Post-Enforcement Call Option Holder, each twelve-month period ending on 31 December in each year,

Fitch means Fitch Ratings Limited and any successor to its ratings business,

Fixed Rate Note means a Note, the interest basis of which is specified in the applicable Final Terms as being fixed rate,

Floating Rate Note means a Note, the interest basis of which is specified in the applicable Final Terms as being floating rate,

FSMA means the Financial Services and Markets Act 2000, as amended,

Funding 1 means Fosse Funding (No 1) Limited (registered number 5925696), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Funding 1 Interest Payment Date means, in respect of a Loan Tranche, the Quarter Dates specified in the applicable Final Terms in each year (or, if such day is not a Business Day, the next succeeding Business Day) (or, following the occurrence of a Pass-Through Trigger Event, the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day)),

Funding 1 Secured Creditors means the Funding 1 Security Trustee, the Funding 1 Swap Provider, the Cash Manager, the Funding 1 Account Bank, the Issuer, the Seller, the Mortgages Trustee, the Funding 1 Corporate Services Provider, the Mortgages Trustee Corporate Services Provider, the PECOH Corporate Services Provider, the Holdings Corporate Services Provider, the Funding 1 Start-up Loan Provider and such other creditors of Funding 1 who may accede to the Funding 1 Deed of Charge from time to time pursuant to a Deed of Accession (including, for the avoidance of doubt, any New Issuer),

General Reserve Fund means, at any time, the amount standing to the credit of the general reserve ledger at that time which may be used in certain circumstances by Funding 1 to meet any deficit in revenue or to repay amounts of principal,

Global Notes means the Notes (other than the Australian Notes) in global form,

GST has the meaning given to it in section 195-1 of the A New Tax System (Goods and Services Tax) Act 1999 (Cwlth) of Australia,

Holdings means Fosse (Master Issuer) Holdings Limited (registered number 5925689), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Increase Amount has the meaning given to that term in Condition [5 9(a)(i)],

Increase Date has the meaning given to that term in Condition [5 9],

Independent Certificates means certificates of independent parties furnished by the Issuer to the Original Note Trustee and/or the Issuer Security Trustee (as appropriate) and in accordance with sections 314(c) and 314(d)(1) of the Trust Indenture Act,

Initial Closing Date means 28 November 2006, being the date of the first issuance of Notes,

Intercompany Loan Acceleration Notice means a notice served by the Funding 1 Security Trustee on Funding 1 pursuant to the Intercompany Loan Agreement following the occurrence of an Intercompany Loan Event of Default,

Intercompany Loan Agreement means the loan agreement and the Loan Tranche Supplement entered into on the Initial Closing Date between the Issuer, Funding 1, the Funding 1 Security Trustee, the Issuer Security Trustee and the Agent Bank (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time) together with each subsequent Loan Tranche Supplement entered into on each subsequent Closing Date between the Issuer, Funding 1, the Funding 1 Security Trustee, the Issuer Security Trustee and the Agent Bank (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Intercompany Loan Event of Default means the occurrence of an event of default as specified in clause 15 of the Intercompany Loan Agreement,

Interest Amount has the meaning given to that term in (i) Condition 4 2(d) in respect of the Notes (other than the Australian Notes) or (ii) Australian Condition 4 2(4) in respect of the Australian Notes),

Interest Commencement Date means

(a) in relation to a Series and Class of Notes, the relevant Closing Date of such Notes or such other date as may be specified as such in the applicable Final Terms, and

(b) in respect of a Loan Tranche, the relevant Closing Date of the related Series and Class of Notes or such other date as may be specified as such in the applicable Loan Tranche Supplement,

Interest Determination Date means, with respect to the Dollar Notes, the date two Business Days prior to each Interest Payment Date, with respect to the Euro Notes, the date two Target Business Days prior to each Interest Payment Date, with respect to the Sterling Notes, each Interest Payment Date and, with respect to Notes denominated in any other Specified Currency, the date specified in the applicable Final Terms,

Interest Payment Date means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarterly Interest Payment Dates and (in the case of Monthly Payment Notes) the Monthly Interest Payment Dates, subject in each case to the applicable Final Terms,

Interest Period means

(a) in respect of a Series and Class of Notes, (i) with respect to the first Interest Payment Date, the period from (and including) the applicable Interest Commencement Date to (but excluding) such first Interest Payment Date and (ii) thereafter, with respect to each Interest Payment Date, the period from and including the preceding Interest Payment Date to (but excluding) that Interest Payment Date, and

(b) in respect of a Loan Tranche, (i) with respect to the first Loan Payment Date, the period from (and including) the applicable Interest Commencement Date to (but excluding) such first Loan Payment Date and (ii) thereafter, the period from and including the preceding Loan Payment Date to (but excluding) that Loan Payment Date,

Irrecoverable VAT means any amount in respect of VAT incurred by a party to the Transaction Documents (for the purposes of this definition, a **Relevant Party**) as part of a payment in respect of which it is entitled to be indemnified under the relevant Transaction Documents to the extent that the

Relevant Party does not or will not receive and retain a credit or repayment of such VAT as input tax (as that expression is defined in section 24(1) of the Value Added Tax Act 1994) for the prescribed accounting period (as that expression is used in section 25(1) of the Value Added Tax Act 1994) to which such input tax relates,

Issuer means Fosse Master Issuer plc (registered no 5925693), a public limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Issuer Account Bank means the bank at which the Issuer's Accounts are maintained from time to time pursuant to the Issuer Bank Account Agreement,

Issuer Account Bank Ratings means the unsecured, unsubordinated and unguaranteed debt obligation ratings given to the Issuer Account Bank by the Rating Agencies which shall be at least P-1 short-term by Moody's, A-1 short-term and A long-term (or, if the Issuer Account Bank has no short-term rating from Standard & Poor's, at least A+ long-term) by Standard & Poor's and short-term and long-term "Issuer Default Ratings" of at least F1 and A (respectively) by Fitch,

Issuer Account Mandate means an account mandate delivered to the Issuer Account Bank pursuant to the Issuer Bank Account Agreement,

Issuer Accounts means each Issuer Transaction Account, each Issuer Share Capital Account, any Additional Issuer Account, any Issuer Swap Collateral Account, any Issuer GIC Account and such other bank account(s) held in the name of the Issuer with the prior written approval of the Issuer Security Trustee from time to time,

Issuer Available Funds means, together, Issuer Revenue Receipts and Issuer Principal Receipts,

Issuer Bank Account Agreement means the bank account agreement dated on or about the Initial Closing Date between the Issuer, the Issuer Cash Manager, the Issuer Account Bank and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Issuer Bank Accounts has the same meaning as **Issuer Accounts**,

Issuer Cash Management Agreement means the cash management agreement dated on or about the Initial Closing Date between, amongst others, the Issuer, the Issuer Cash Manager and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Issuer Cash Management Services means the services to be provided to the Issuer and the Issuer Security Trustee pursuant to the Issuer Cash Management Agreement,

Issuer Cash Manager means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK, acting pursuant to the Issuer Cash Management Agreement as agent for the Issuer and the Issuer Security Trustee, to manage all cash transactions and maintain certain ledgers on behalf of the Issuer,

Issuer Cash Manager Termination Event has the meaning given to it in clause 11 1 of the Issuer Cash Management Agreement,

Issuer's Certificate means a certificate signed in the name of the Issuer by two directors of the Issuer,

Issuer Charged Documents means

(a) the Intercompany Loan Agreement,

(b) the Funding 1 Deed of Charge,

(c) the Issuer Cash Management Agreement

(d) the Issuer Bank Account Agreement,

(e) the Issuer Corporate Services Agreement,

(f) the Issuer Swap Guarantees,

(g) the Programme Agreement,

(h) the Subscription Agreement,

(i) the Note Trust Deed,

(j) the Issuer Swap Agreements, and

(k) the Paying Agent and Agent Bank Agreement,

Issuer Charged Property means the property charged by the Issuer pursuant to clause 3 of the Issuer Deed of Charge and any provision of any deed supplemental thereto,

Issuer Corporate Services Agreement means the agreement dated on or about the Initial Closing Date and made between, amongst others, the Issuer Corporate Services Provider, the Issuer, Holdings and the Issuer Security Trustee for the provision by the Issuer Corporate Services Provider of certain corporate services and personnel to the Issuer (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Issuer Corporate Services Fee Letter means the letter dated the date of the Issuer Corporate Services Agreement between, *inter alios*, the Issuer, the Issuer Security Trustee and the Issuer Corporate Services Provider, setting out the amount of fees payable to the Issuer Corporate Services Provider by the Issuer (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Issuer Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to the Issuer under the Issuer Corporate Services Agreement,

Issuer Currency Swap Agreement means the Issuer Dollar Currency Swap Agreements and the Issuer Euro Currency Swap Agreements and the issuer currency swap agreements entered into from time to time in respect of any other currencies,

Issuer Currency Swap Provider means the relevant swap provider in relation to each of the Issuer Dollar Currency Swaps, Issuer Euro Currency Swaps or the issuer currency swaps in respect of any other currency as the case may be, and **Issuer Currency Swap Providers** means all of them,

Issuer Deed of Charge means the deed of charge entered into on or about the Initial Closing Date between, among others, the Issuer and the Issuer Security Trustee under which the Issuer charges the Issuer Security in favour of the Issuer Security Trustee for the benefit of the Issuer Secured Creditors

(as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Issuer Dollar Account means the account of the Issuer held with the Issuer Account Bank, denominated in Dollars and maintained subject to the terms of the Issuer Bank Account Agreement and the Issuer Deed of Charge, or any additional or replacement account denominated in Dollars as may for the time being be in place with the prior consent of the Issuer Security Trustee,

Issuer Dollar Account Mandate means the mandate given by the Issuer to the Issuer Account Bank with respect to the Issuer Dollar Account, substantially in the form set out in schedule 1 to the Issuer Bank Account Agreement,

Issuer Dollar Currency Swap Agreement means, in respect of a Series and Class of Dollar Notes, the ISDA Master Agreement, schedules and confirmations relating to the relevant sterling-dollar currency swaps to be entered into on or before the relevant Closing Date in respect of such Series between the Issuer, the relevant Issuer Swap Provider and Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Issuer Euro Account means the account of the Issuer held with the Issuer Account Bank, denominated in Euro and maintained subject to the terms of the Issuer Bank Account Agreement and the Issuer Deed of Charge, or any additional or replacement account denominated in Euro as may for the time being be in place with the prior consent of the Issuer Security Trustee,

Issuer Euro Account Mandate means the mandate given by the Issuer to the Issuer Account Bank with respect to the Issuer Euro Account, substantially in the form set out in schedule 1 to the Issuer Bank Account Agreement,

Issuer Euro Currency Swap Agreement means, in respect of a Series and Class of Notes, denominated in Euro, the ISDA Master Agreement, schedules and confirmations relating to the relevant sterling-euro currency swaps to be entered into on or before the relevant Closing Date in respect of such Series between the Issuer, the relevant Issuer Swap Provider and Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Issuer GIC Account means any bank account opened in accordance with the provisions of clause 3 4 of the Issuer Bank Account Agreement,

Issuer Interest Rate Swap Agreements means the Issuer Euro Currency Swap Agreement, the Issuer Dollar Currency Swap Agreement and any other the ISDA Master Agreements, schedules and confirmations relating to the relevant currency swaps to be entered into on or before the relevant Closing Date in respect of such Series between the Issuer, the relevant Issuer Swap Provider and the Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Issuer Ledgers means the Issuer Revenue Ledger, the Issuer Principal Ledger, the Issuer Swap Collateral Ledger and the Issuer Note Ledger;

Issuer Order means a written order or request signed in the name of the Issuer by two directors of the Issuer,

Issuer Master Definitions and Construction Schedule means the schedule as amended, restated, varied, supplemented, replaced and/or novated from time to time and shall include any and all Accession Agreements,

Issuer Note Ledger means the ledger maintained by the Issuer Cash Manager pursuant to the Issuer Cash Management Agreement to record payments made under each Series and Class of Notes from time to time,

Issuer Post-Enforcement Priority of Payments means the order of priority of payments in which amounts received by the Issuer Cash Manager or, following the enforcement of the Issuer Security, all amounts received or recovered by the Issuer Security Trustee (or a Receiver appointed on its behalf), will be applied following the service of an Intercompany Loan Acceleration Notice, as set out in clause 7 3 of the Issuer Deed of Charge,

Issuer Post-Acceleration Principal Priority of Payments means the order of priority of payments in which the Issuer Principal Receipts will be applied following the service of a Note Acceleration Notice, but prior to the service of an Intercompany Loan Acceleration Notice, as set out in clause 7 2 of the Issuer Deed of Charge

Issuer Pre-Acceleration Principal Priority of Payments means the order of priority of payments in which the Issuer Principal Receipts will be applied prior to service of a Note Acceleration Notice as set out in paragraph 4 of schedule 2 to the Issuer Cash Management Agreement,

Issuer Pre-Acceleration Priority of Payments means the Issuer Pre-Acceleration Principal Priority of Payments and the Issuer Pre-Acceleration Revenue Priority Payments,

Issuer Pre-Acceleration Revenue Priority of Payments means the order of priority of payments in which the Issuer Revenue Receipts will be applied prior to service of a Note Acceleration Notice as set out in paragraph 3 of schedule 2 to the Issuer Cash Management Agreement,

Issuer Principal Ledger means the ledger maintained by the Issuer Cash Manager pursuant to the Issuer Cash Management Agreement to record, *inter alia*, the Issuer Principal Receipts standing to the credit of the Issuer Transaction Accounts from time to time,

Issuer Principal Receipts means an amount equal to the sum of all principal amounts repaid by Funding 1 to the Issuer under the Intercompany Loan,

Issuer Priority of Payments means the Issuer Pre-Acceleration Revenue Priority of Payments, the Issuer Pre-Acceleration Principal Priority of Payments, the Issuer Post-Acceleration Principal Priority of Payments or the Issuer Post-Enforcement Priority of Payments, as the case may be, each as set out in the Issuer Cash Management Agreement or the Issuer Deed of Charge (as the case may be),

Issuer Revenue Ledger means the ledger maintained by the Issuer Cash Manager pursuant to the Issuer Cash Management Agreement to record, *inter alia*, the Issuer Revenue Receipts standing to the credit of the Issuer Transaction Accounts from time to time,

Issuer Revenue Receipts means an amount equal to the sum of

(a) interest paid by Funding 1 on the relevant Funding 1 Interest Payment Date in respect of the Loan Tranches under the Intercompany Loan Agreement which correspond to Notes with Interest Payment Dates corresponding to such Funding 1 Interest Payment Dates,

(b) interest previously paid by Funding 1 on a previous Funding 1 Interest Payment Date and required to be held in the Issuer GIC Account until such Interest Payment Date,

(c) fees to be paid by Funding 1 on the relevant date under the terms of the Intercompany Loan Agreement,

(d) interest payable on the Issuer Accounts and any income from Authorised Investments which will be received on or before the relevant Interest Payment Date,

(e) other net income of the Issuer, including amounts received or to be received under the Issuer Swap Agreements on or before the relevant Interest Payment Date (other than any early termination amount received by the Issuer under any Issuer Swap Agreement to the extent used to enter into a replacement Issuer Swap Agreement) and including any amounts received by the Issuer in consideration of it entering into a replacement Issuer Swap Agreement (which amounts shall be deemed to be received by the Issuer in respect of the Loan Tranche corresponding to the Series and Class of Notes to which the replaced Issuer Swap Agreement relates) but excluding (i) the return or transfer of any Excess Swap Collateral as set out under any Issuer Swap Agreement, (ii) in respect of each Issuer Swap Provider, prior to the designation of an early termination date under the relevant Issuer Swap Agreement and the resulting application of the collateral by way of netting or set-off, an amount equal to the value of all collateral (other than Excess Swap Collateral) provided by such Issuer Swap Provider to the Issuer pursuant to the relevant Issuer Swap Agreement (and any interest or distributions in respect thereof) and (iii) in the case of Issuer Swap Agreements relating to any Series and Class of Notes issued on or after the 2012-1 Closing Date only, the 'cash benefit' (as described in the relevant Issuer Swap Agreement) relating to any Tax Credit (as defined in the relevant Issuer Swap Agreement) obtained by the Issuer relating to any Gross-Up Amount (as defined in the relevant Issuer Swap Agreement) paid by the Issuer Swap Provider under the terms of the relevant Issuer Swap Agreement, and

(f) any additional amount the Issuer receives from any taxing authority on account of amounts paid to that taxing authority for and on account of tax by an Issuer Swap Provider under an Issuer Swap Agreement,

Issuer Secured Creditors means the Issuer Security Trustee, the Noteholders, the Issuer Swap Providers, the Original Note Trustee, the Australian Note Trustee, the Issuer Account Bank, the Paying Agents, the Registrar, the Transfer Agent, the Agent Bank, the Australian Paying Agent, the Australian Registrar, the Australian Issuing Agent, the Australian Calculation Agent, the Issuer Corporate Services Provider, the Issuer Cash Manager and any new creditor who accedes to the Issuer Deed of Charge from time to time under a deed of accession or a supplemental deed,

Issuer Secured Obligations means any and all of the monies, obligations and liabilities and all other amounts, due, owing, payable or owed by it to the Issuer Secured Creditors under and pursuant to the Issuer Transaction Documents,

Issuer Security means the security granted by the Issuer under the Issuer Deed of Charge in favour of the Issuer Secured Creditors,

Issuer Security Period means the period beginning on the date of the Issuer Deed of Charge and ending on the date on which all the Issuer Secured Obligations have been unconditionally and irrevocably paid and discharged in full,

Issuer Security Power of Attorney means the power of attorney granted by the Issuer in favour of the Issuer Security Trustee under the Issuer Deed of Charge on the Initial Closing Date substantially in the form set out in schedule 4 to the Issuer Deed of Charge,

Issuer Security Trustee means Law Debenture Trust Company of New York acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017 or such other person as may

from time to time be appointed as Issuer Security Trustee (or co-trustee) pursuant to the Issuer Deed of Charge,

Issuer Share Capital Account means the account of the Issuer held with the Issuer Account Bank, maintained subject to the terms of the Issuer Bank Account Agreement and the Issuer Deed of Charge, or any additional or replacement account as may for the time being be in place with the prior consent of the Issuer Security Trustee,

Issuer Share Capital Account Mandate means the mandate given by the Issuer to the Issuer Account Bank with respect to the Issuer Share Capital Account substantially in the form set out in schedule 1 to the Issuer Bank Account Agreement,

Issuer Sterling Account means the account of the Issuer held with the Issuer Account Bank, denominated in Sterling and maintained subject to the terms of the Issuer Bank Account Agreement and the Issuer Deed of Charge, or any additional or replacement account denominated in Sterling as may for the time being be in place with the prior consent of the Issuer Security Trustee,

Issuer Sterling Account Mandate means the mandate given by the Issuer to the Issuer Account Bank with respect to the Issuer Sterling Account substantially in the form set out in schedule 1 to the Issuer Bank Account Agreement,

Issuer Swap Agreement means the Issuer Interest Rate Swap Agreements and, in respect of a Series and Class of Notes, the ISDA Master Agreement, schedules and confirmations relating to the relevant Issuer Swaps to be entered into on or before the relevant Closing Date in respect of such Series and Class of Notes between the Issuer, the relevant Issuer Swap Provider and Issuer Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Issuer Swap Collateral Account means any bank account opened in accordance with the provisions of clause 3 3 of the Issuer Bank Account Agreement and maintained in accordance with the terms of as the Issuer Bank Account Agreement,

Issuer Swap Collateral Ancillary Documents means any document (including, without limitation, any custodial agreement or bank account agreement, but excluding the Issuer Swap Agreements, the Issuer Cash Management Agreement and the Issuer Deed of Charge) as may be entered into by the Issuer from time to time in connection with the Swap Collateral,

Issuer Swap Collateral Ledger means the ledger maintained by the Issuer Cash Manager pursuant to the Issuer Cash Management Agreement to record the Issuer Swap Collateral standing to the credit of the Issuer Swap Collateral Account from time to time,

Issuer Swap Excluded Termination Amount means, in relation to any Issuer Swap Agreement, an amount equal to

(a) the amount of any termination payment due and payable to the relevant Issuer Swap Provider as a result of an Issuer Swap Provider Default or to the relevant Issuer Swap Provider following an Issuer Swap Provider Downgrade Termination Event,

less

(b) the amount, if any, received by the Issuer from a replacement swap provider upon entry by the Issuer into an agreement with such replacement swap provider to replace such Issuer Swap Agreement which has terminated as a result of such Issuer Swap Provider Default or following the occurrence of such Issuer Swap Provider Downgrade Termination Event,

Issuer Swap Guarantee means any guarantee given of the obligations of an Issuer Swap Provider under an Issuer Swap Agreement,

Issuer Swap Provider means, in respect of a Series and Class of Notes, any entity identified as such in the relevant Final Terms,

Issuer Swap Provider Default means the occurrence of an Event of Default (as defined in the relevant Issuer Swap Agreement) where an Issuer Swap Provider is the Defaulting Party (as defined in the relevant Issuer Swap Agreement),

Issuer Swap Provider Downgrade Termination Event means the occurrence of an Additional Termination Event (as defined in the relevant Issuer Swap Agreement) following the failure by an Issuer Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the relevant Issuer Swap Agreement,

Issuer Swaps means the currency swaps entered into by the Issuer from time to time which enable the Issuer to receive and pay amounts under the Intercompany Loan Agreement in sterling and receive and pay amounts under Notes of a Series (other than Sterling Notes) in the specified currency, as identified in the relevant Final Terms and any Issuer Interest Rate Swap Agreements entered into by the Issuer from time to time,

Issuer Transaction Account means the Issuer Dollar Account, the Issuer Euro Account and the Issuer Sterling Account,

Issuer Transaction Account Mandate means the Issuer Dollar Account Mandate, the Issuer Euro Account Mandate and the Issuer Sterling Account Mandate,

Issuer Transaction Documents means those Transaction Documents to which the Issuer is a party, including the Intercompany Loan Agreement, the Note Trust Deed, the Australian Deed Poll, the Paying Agent and Agent Bank Agreement, the Australian Agency Agreement, the Issuer Deed of Charge, the Issuer Security Power of Attorney, the Issuer Cash Management Agreement, the Issuer Swap Agreements, the Issuer Bank Account Agreement, the Post-Enforcement Call Option Agreement, the Issuer Corporate Services Agreement, the Programme Agreement, each Subscription Agreement, any Conditional Purchase Agreement and any Remarketing Agreement, and all other agreements referred to therein or otherwise referred to as **Issuer Transaction Documents** in each Deed of Accession entered into by, *inter alios*, the Issuer and the Issuer Security Trustee from time to time and, for the purposes of clause 21 of the Note Trust Deed and clause 12 of the Issuer Deed of Charge, the Funding 1 Agreements,

Lead Manager means the entity named as such in the applicable Final Terms,

Letter of Representations means the letter of representations to DTC dated on or about the Initial Closing Date from the Principal Paying Agent and the Issuer,

Liabilities means losses, liabilities, costs, claims, actions, demands or expenses,

LIBOR shall have the same meaning as Sterling LIBOR,

Loan Payment Date means, in respect of a Loan Tranche, the Funding 1 Interest Payment Date(s) specified in Loan Tranche Supplement for the payment of interest and/or principal, subject to the terms of the Intercompany Loan Agreement,

Loan Tranches means the AAA Loan Tranches, the AA Loan Tranches, the A Loan Tranches, the BBB Loan Tranches, the BB Loan Tranches and the NR Loan Tranches advanced by the Issuer or

any New Issuer to Funding 1 pursuant to the Intercompany Loan Agreement or any New Intercompany Loan Agreement respectively and funded from proceeds received by the Issuer or such New Issuer respectively from the issue of a Series and Class of Notes or New Notes, or any Increase Amount under any Class Z Variable Funding Notes, respectively,

Loan Tranche Supplement means, in relation to any Loan Tranche, the document between, amongst others, Funding 1 and the Issuer recording the principal terms of such Loan Tranche,

London Business Day means a day (other than a Saturday or Sunday) on which banks are generally open for business in London,

London Stock Exchange means the London Stock Exchange plc,

LP (MP) Act means the Law of Property (Miscellaneous Provisions) Act 1994,

Managers means the institutions named as such in the Final Terms relating to any Series and Class of Notes,

Margin means, in respect of any Series and Class of Notes, the amount specified as such in the applicable Final Terms,

Master Definitions and Construction Schedule has the meaning given to it in Clause 1 1 of the Sixth Supplemental Funding 1 Deed of Charge,

Money Market Notes means a Series and Class of Rule 144A Notes issued by the Issuer and designated as money market notes in the applicable Final Terms,

Monthly Dates means the 18th day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day),

Monthly Interest Payment Date means, in respect of any Monthly Payment Notes, the Monthly Dates specified in the applicable Final Terms for the payment of interest and/or principal, subject, in each case, to the appropriate Business Day Convention if any, specified in the applicable Final Terms,

Monthly Payment Notes means either Money Market Notes or any other Notes in respect of which Monthly Interest Payment Dates are specified in the applicable Final Terms,

Moody's means Moody's Investors Service Limited and any successor to its rating business,

New Dealer means any entity appointed as an additional Dealer in accordance with clause 11 of the Programme Agreement,

New Issuer Secured Creditor means a creditor of the Issuer that has become an Issuer Secured Creditor by entering into an Accession Deed in or substantially in the form set out in schedule 1 to the Issuer Deed of Charge,

New York Business Day means a day (other than a Saturday or a Sunday) on which banks are generally open for business in the city of New York,

Note Acceleration Notice means an acceleration notice served by the Note Trustee in relation to the enforcement of the Issuer Security following a Note Event of Default,

Note Event of Default means the occurrence of an event of default as specified (i) in Condition 9 in respect in respect of the Notes (other than the Australian Notes) or (ii) in Australian Condition 9 in respect of the Australian Notes,

Noteholders means the holders for the time being of the Notes,

Note Principal Payment means the amount of each principal payment payable on each Note,

Notes means the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes, the Class D Notes and the Class Z Notes (including, for the avoidance of doubt, the Class Z Variable Funding Notes),

Note Trust Deed means the trust deed entered into on or about the Initial Closing Date between the Issuer and the Original Note Trustee constituting the Notes (other than the Australian Notes) to which the Australian Note Trustee became a party on the 2012-1 Closing Date (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Note Trustee means the Original Note Trustee, except in relation to any Series and Class of Australian Notes to the extent that the reference to the Note Trustee relates to, or requires any action, steps or proceedings to be taken, or the exercise of any power or discretion, in respect of the covenant to pay in relation to such Series and Class of Australian Notes made by the Issuer in favour of the Australian Note Trustee and the Australian Noteholders under Clause 2 2 of the Australian Deed Poll, in which case the reference to the Note Trustee shall be read as a reference to the Australian Note Trustee **PROVIDED THAT** the Australian Note Trustee shall only be bound to take any such action, step or proceeding or exercise any such power or discretion as provided in Australian Condition 10 1 in relation to the covenant to pay in relation to the Australian Notes made in favour of the Australian Note Trustee and the Australian Noteholders under Clause 2 2 of the Australian Deed Poll only In addition to the foregoing, any reference to the Note Trustee in any provision contained in any Issuer Transaction Document relating to the protection of the Note Trustee against any loss, liability, costs, damages, expenses or inconvenience that may be caused or may be suffered shall, where the context permits, be read and construed as a reference to both the Original Note Trustee and the Australian Note Trustee (except as specified to the contrary therein),

Notice means (i) in respect of notice being given to the Noteholders (other than the Australian Noteholders), a notice duly given in accordance with Condition 14 or (ii) in respect of notice being given to the Australian Noteholders, a notice duly given in accordance with Australian Condition 14,

NR Loan Tranche means any Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of any Series and Class of Class Z Notes or, in the case of an NR VFN Loan Tranche, from the proceeds of issue of, and Increase Amounts under, a Class Z Variable Funding Note,

NR VFN Loan Tranche means a Loan Tranche made by the Issuer to Funding 1 under the Intercompany Loan Agreement from the proceeds of issue of, and Increase Amounts under, a Class Z Variable Funding Note,

NSS means the New Safekeeping Structuring for Global Notes which are intended to constitute eligible collateral for Eurosystem monetary policy operations,

Official List has the meaning given to that term in section 103 of the FSMA,

Option has the meaning given to it in clause 2 2 of the Post-Enforcement Call Option Agreement,

Option Exercise Date has the meaning given to it in clause 2 1 of the Post-Enforcement Call Option Agreement,

Original Note Trustee means Law Debenture Trust Company of New York acting through its offices at 400 Madison Avenue – 4th Floor, New York, New York 10017, acting as note trustee under the terms of the Note Trust Deed, or any successor acting as the Original Note Trustee under the Note Trust Deed,

outstanding means, in relation to the Notes of the relevant Series and Class/es, all the Notes issued other than

(a) those Notes which have been redeemed in full pursuant to the Note Trust Deed or the Australian Deed Poll (as the case may be),

(b) those Notes in respect of which the date for redemption in accordance with the Conditions or the Australian Conditions (as applicable) has occurred and the redemption moneys (including premium (if any) and all interest payable thereon) have been duly paid to the Original Note Trustee or to the Australian Note Trustee or to the Principal Paying Agent or to the Australian Paying Agent or to the Registrar or to the Australian Registrar, as applicable, in the manner provided in the Paying Agent and Agent Bank Agreement or the Australian Agency Agreement, as applicable (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions or the Australian Conditions (as applicable)) and remain available for payment against presentation of the relevant Notes,

(c) those Notes which have become void under Condition 7 (Prescription) or Australian Condition 7 (Prescription) (as applicable),

(d) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 13 (Replacement of Notes) or Australian Condition 13 (Replacement of Notes) (as applicable),

(e) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 13 (Replacement of Notes) or Australian Condition 13 (Replacement of Notes) (as applicable), and

(f) any Global Note to the extent that it has been exchanged for another Global Note in respect of the Notes of the relevant Series and Class/es or for the Notes of the relevant Series and Class/es in definitive form pursuant to its provisions,

provided that for each of the following purposes, namely

(i) the right to attend and vote at any meeting of the Noteholders of any Series and/or Class/es, an Extraordinary Resolution in writing as envisaged by paragraph 1 of schedule 6 of the Note Trust Deed and any direction or request by the holders of Notes of any Series and/or Class/es,

(ii) the determination of how many and which Notes are for the time being outstanding for the purposes of clause 11 1 of the Note Trust Deed, Conditions 9 (Events of Default) and 10 (Enforcement of Notes), Australian Conditions 9 (Events of Default) and 10 (Enforcement of Notes) and paragraphs 2, 5 and 6 of schedule 7 to the Note Trust Deed,

(iii) any right, discretion, power or authority (whether contained in the Note Trust Deed, the Australian Deed Poll, any other Issuer Transaction Document or vested by operation of law) which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Series and/or Class/es thereof, and

(iv) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, Funding 1, the Mortgages Trustee or the Seller, any holding company of any of them or any other Subsidiary of any such holding company, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding,

Part VII Effective Date means 28 May 2010,

Paying Agent and Agent Bank Agreement means the paying agent and agent bank agreement entered into on or about the Initial Closing Date between the Issuer, the Principal Paying Agent, the Agent Bank, the US Paying Agent, the Registrar, the Transfer Agent, the Original Note Trustee and the Issuer Security Trustee which sets out the appointment of the Paying Agents, the Registrar, the Transfer Agent and the Agent Bank for the Notes (other than the Australian Notes) (as the same may be amended, restated, supplemented, replaced or novated from time to time),

Paying Agents means the Principal Paying Agent and the US Paying Agent,

PECOH Corporate Services Agreement means the agreement dated the Initial Closing Date between (amongst others) the PECOH Corporate Services Provider, PECOH and the Issuer Security Trustee for the provision by the PECOH Corporate Services Provider of certain corporate services and personnel to PECOH (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

PECOH Corporate Services Provider means Structured Finance Management Limited or such other person or persons for the time being acting as corporate services provider to PECOH under the PECOH Corporate Services Agreement,

PECOH Share Trustee means Independent Share Trustees Limited (registered number 05829390), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Pool Factor has the meaning given to it (i) in Condition 5 in respect of the Notes (other than the Australian Notes) or (ii) in Australian Condition 5 in respect of the Australian Notes,

Post-Enforcement Call Option Agreement means the post-enforcement call option agreement entered into on or about the Initial Closing Date between the Issuer, the Post-Enforcement Call Option Holder and the Original Note Trustee under which the Original Note Trustee agrees on behalf of the Noteholders that following enforcement of the Issuer Security, the Post-Enforcement Call Option Holder may call for the Notes (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Post-Enforcement Call Option Holder or **PECOH** means Fosse PECOH Limited (registered number 5925699), a limited company incorporated under the laws of England and Wales, whose registered office is at 35 Great St Helen's, London EC3A 6AP,

Potential Note Event of Default means any condition, event or act which, with the lapse of time and/or the giving of any notice, could constitute a Note Event of Default,

Principal Amount Outstanding has the meaning given to it (i) in Condition 5 3 in respect of the Notes (other than the Australian Notes) or (ii) in Australian Condition 5 3 in respect of the Australian Notes,

Principal Ledger means the ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement and clause 16 of the Mortgages Trust Deed to record the Principal Receipts on the Loans and distributions of such Principal Receipts to the Beneficiaries,

Principal Paying Agent means Citibank, N A , London Branch, acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as principal paying agent in the United Kingdom pursuant to the Paying Agent and Agent Bank Agreement,

Programme means the residential mortgage backed note programme established by or otherwise contemplated in the Programme Agreement and the Note Trust Deed,

Programme Agreement means the agreement entered into on or around the Initial Closing Date between, amongst others, the Issuer, Funding 1 and the Dealers named therein (or deemed named therein) (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time),

Programme Resolution has the meaning given to it (i) in Condition 11 2 in respect of the Notes (other than the Australian Notes) or (ii) in Australian Condition 11 2 in respect of the Australian Notes,

Qualified Institutional Buyer means a qualified institutional buyer as defined in Rule 144A under the Securities Act,

Quarter Dates means the 18th day of any of the following months (or any one of such dates occurring annually or two of such dates occurring semi–annually) as specified in the Final Terms for the payment of interest and/or principal on the Notes and any corresponding Loan Tranche

(a) January, April, July and October, or

(b) February, May, August and November, or

(c) March, June, September and December,

Quarterly Interest Payment Date means, in respect of a Series and Class of Notes (other than Monthly Payment Notes), the Quarter Dates specified in the Final Terms for the payment of interest and/or principal, until the occurrence of a Pass-Through Trigger Event and, following such occurrence, the Monthly Dates subject, in each case, to the appropriate Business Day Convention, if any, specified in the applicable Final Terms,

Rated Notes means the Notes that have been rated by one or more of the Rating Agencies, being (as at the date hereof) the Class A Notes, the Class B Notes, the Class M Notes, the Class C Notes and the Class D Notes,

Rate of Interest means, in relation to any Series and Class of Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of such Notes specified in the applicable Final Terms or calculated and determined in accordance with the applicable Final Terms,

Rating Agencies means Standard & Poor's, Moody's and/or Fitch,

RBA Target Cash Rate means, on any day, the Australian Market RBA Target Cash Rate determined by the Reserve Bank of Australia which appears on the "RBA16" page of the Bloomberg screen at around 10 15am Sydney time on that day,

Receiver means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Issuer Charged Property by the Issuer Security Trustee pursuant to the Issuer Deed of Charge and/or of the Funding 1 Charged Property by the Funding 1 Security Trustee pursuant to the Funding 1 Deed of Charge,

Record Date means, in respect of the Definitive Notes, the 15th day prior to each Interest Payment Date,

Reference Banks means, as at the Initial Closing Date, the London office of each of the following banks The Royal Bank of Scotland N V , Barclays Bank PLC, Citibank, N A and The Royal Bank of Scotland plc,

Reference Rate means, in respect of any Series and Class of Notes, the rate specified as such for such Notes in the applicable Final Terms,

Register means the register of noteholders kept by the Registrar and which records the identity of each Noteholder and the number of Notes of any Class and Series which each Noteholder owns,

Registrar means Citibank, N A , London Branch, acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as the registrar appointed by the Issuer under the Paying Agent and Agent Bank Agreement to record the holders of Notes,

Reg S means Regulation S under the Securities Act,

Reg S Definitive Notes means, where Definitive Notes are issued, the Notes issued by the Issuer in exchange for the beneficial interests represented by the Reg S Global Note of each Series and Class,

Reg S Global Notes means the Reg S Notes in global form,

Reg S Notes means each Series and Class of Notes that are sold outside the United States to non-U S persons in reliance on Reg S,

Regulations means, as the context may require, either (i) the Unfair Terms in Consumer Contracts Regulations 1999 (as amended) and/or, as applicable, the Unfair Terms in Consumer Contracts Regulations 1994 or (ii) the Regulations set out in Schedule 2 to the Paying Agent and Agent Bank Agreement,

Relevant Screen Page means, in respect of any Series and Class of Notes, the screen page specified as such for such Notes in the applicable Final Terms,

Relevant Stock Exchange means a "recognised stock exchange" within the meaning of Section 1005 of the Income Tax Act 2007,

Remarketing Agreement means any remarketing agreement relating to the relevant remarketable notes to be entered into from time to time between the Issuer and a remarketing agent,

Repayment Tests means Rules 1 and 2, each as set out in Part 2 (*Funding 1 Pre-Acceleration Principal Priorities of Payments*) of Schedule 4 (*Funding 1 Priority of Payments*) to the Funding 1 Deed of Charge,

Required Subordinated Amounts means the collective Class A Required Subordinated Amount, the Class B Required Subordinated Amount, the Class M Required Subordinated Amount, the Class C Required Subordinated Amount and the Class D Required Subordinated Amount,

Requisite Ratings means a rating of P-1 by Moody's, F1+ by Fitch and A-1+ by Standard & Poor's,

Rule 144A Definitive Notes are, where Definitive Notes are issued, the Notes issued by the Issuer in exchange for the beneficial interests represented by the Rule 144A Global Note of each Series and Class,

Rule 144A Global Notes means the Rule 144A Notes in global form,

Rule 144A Notes means each Series and Class of Notes which are offered and sold in the United States only to Qualified Institutional Buyers,

Scheduled Amortisation Instalment means, in respect of each Loan Tranche that is a Scheduled Amortisation Loan Tranche, and in respect of the corresponding Series and Class of Notes, the instalment amounts specified as applying to such Loan Tranche and related Series and Class of Notes in the applicable Final Terms,

Scheduled Amortisation Loan Tranche means any Loan Tranche that is scheduled to be repaid in instalments on more than one Funding 1 Interest Payment Date, namely those Loan Tranches designated as a "Scheduled Amortisation" Loan Tranches in the relevant Final Terms,

Scheduled Redemption Dates means, in respect of a Series and Class of Notes, the Interest Payment Dates, if any, specified as such for such Notes in the applicable Final Terms for the payment of principal, subject to the Conditions or the Australian Conditions (as applicable),

Scheduled Repayment Dates means, in respect of any Loan Tranche, the Funding 1 Interest Payment Dates specified as such in the applicable Loan Tranche Supplement and Final Terms for the repayment of principal,

SEC means the United States Securities and Exchange Commission,

Securities Act means the United States Securities Act of 1933, as amended,

Security Interest means any mortgage, sub-mortgage, standard security, charge, sub-charge, assignment, assignation in security, pledge, lien, right of set-off or other encumbrance or security interest,

Seller means Alliance & Leicester or (on and after the Part VII Effective Date) Santander UK plc in its capacity as seller of the Loans and their Related Security to the Mortgages Trustee pursuant to the terms of the Mortgage Sale Agreement,

Series means all Classes of Notes issued on a given day and designated as such,

Series and **Class** means a particular Class of Notes of a given Series or, where such Class of such Series comprises more than one sub-class, **Series** and **Class** means any sub-class of such Class,

SONIA means sterling overnight interbank average offered rate,

Specified Currency means, in respect of any Series or Class of Notes, the currency or currencies specified as such for such Notes in the applicable Final Terms,

Specified Currency Exchange Rate means, in relation to a Series and Class of Notes, the exchange rate specified in the Issuer Swap Agreement relating to such series and class of Notes or, if the Issuer Swap Agreement has been terminated, the applicable spot rate,

Specified Office means, as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Paying Agent and Agent Bank Agreement or, in relation to any of the Australian Agents, the office specified against the name of such Australian Agent in the Australian Agency Agreement (as applicable) or such other specified office as may be notified to the Issuer and the Original Note Trustee pursuant to the Paying Agent and Agent Bank Agreement or to the Issuer and the Australian Note Trustee pursuant to Australian Agency Agreement (as applicable),

Specified Time means 11 00 a m London time, in the case of LIBOR or USD-LIBOR, 11 00 a m Brussels time, in the case of EURIBOR, 10 15 a m Sydney time, in the case of AUD-BBR-BBSW, and the time specified in the applicable Final Terms in respect of any other Specified Currency,

Standard & Poor's means Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited and any successor to its ratings business,

Step-up Trigger Event means (i) when the Outstanding Principal Balance of the Loans in arrears for more than 3 times the monthly payment then due divided by the Outstanding Principal Balance of all of the Loans in the Mortgages Trust (expressed as a percentage) exceeds 2 per cent or (ii) if the Issuer fails to exercise its option to redeem any of its Notes on the relevant Step-Up Date as specified in the applicable Final Terms,

Sterling Note means any Note that is denominated in Sterling,

Sterling-LIBOR means the London Interbank Offered Rate for sterling deposits, as determined, with respect to any Notes (other than Australian Notes) which are Floating Rate Notes, by the Agent Bank in accordance with the Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms,

Subscription Agreement means an agreement supplemental to the Programme Agreement in or substantially in the form set out in the Programme Agreement or such other form as may be agreed between the Issuer, Managers and the Dealers,

Successor Agent means any successor to any Agent who may be appointed by the Issuer under the Paying Agent and Agent Bank Agreement,

Successor Agent Bank means any successor to the Agent Bank who may be appointed by the Issuer under the Paying Agent and Agent Bank Agreement,

Successor Australian Paying Agent means any successor to an Australian Paying Agent who may be appointed by the Issuer under the Australian Agency Agreement,

Successor Paying Agent means any successor to any Paying Agent who may be appointed by the Issuer under the Paying Agent and Agent Bank Agreement,

Successor Principal Paying Agent means any successor to the Principal Paying Agent who may be appointed by the Issuer under the Paying Agent and Agent Bank Agreement,

Swap Collateral means at any time, any asset (including without limitation, cash and/or securities) which is paid or transferred by an Issuer Swap Provider to, or held by, the Issuer or Funding 1, as applicable, as collateral to secure the performance by such Issuer Swap Provider of its obligations under the relevant Issuer Swap Agreement, together with any income or distribution received in respect of such asset (if the Issuer or Funding 1, as applicable, is entitled to retain the same),

Swap Termination Payment means the amount of any termination payment due and payable to the Issuer Swap Provider as a result of the early termination of the Issuer Swap,

TARGET Business Day means a day on which the Trans-European Automated Real-time Gross settlement Express (TARGET2) system which was launched on 19 November 2007 is open,

Taxes means all present and future taxes, levies, imposts, duties (other than stamp duty), fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including, without limitation, income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and **Tax** and **Taxation** shall be construed accordingly,

Terms and Conditions has the same meaning as Conditions,

Transaction means the transaction contemplated by the Issuer Transaction Documents,

Transfer Agent means Citibank, N A , London Branch, acting through its offices at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB in its capacity as the transfer agent appointed by the Issuer under the Paying Agent and Agent Bank Agreement to administer the transfer of Notes,

Trust Corporation means a corporation as defined in the Law of Property Act 1925 or a corporation entitled to act as a trustee pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction,

UK Listing Authority means the UK Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000,

UKLA means the UK Listing Authority,

US Paying Agent means Citigroup, N A acting through its branch at 14th Floor, 388 Greenwich Street, New York, New York 10013, as paying agent in the United States of America,

USD-LIBOR means the London Interbank Offered Rate for dollar deposits, as determined, with respect to any Notes (other than Australian Notes) which are Floating Rate Notes, by the Agent Bank in accordance with the Conditions, the Paying Agent and Agent Bank Agreement and the applicable Final Terms,

US Dollar Notes means any Note that is denominated in US dollars, and

Zero Coupon Note means a Note, the interest basis of which is specified in the applicable Final Terms as being zero coupon