

**EXECUTION VERSION**

**EIGHTH AMENDED AND RESTATED  
MASTER INTERCOMPANY LOAN AGREEMENT**

24 May 2022

**HOLMES FUNDING LIMITED**  
as Funding

**HOLMES MASTER ISSUER PLC**  
as Master Issuer

**THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH**  
as Security Trustee

and

**THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH**  
as Agent Bank

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**THIS EIGHTH AMENDED AND RESTATED MASTER INTERCOMPANY LOAN AGREEMENT**  
(this Agreement) is dated 24 May 2022

**BETWEEN:**

- (1) **HOLMES FUNDING LIMITED** (registered number 3982428), 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 (**Funding**);
- (2) **HOLMES MASTER ISSUER PLC** (registered number 5953811), a public limited company incorporated under the laws of England and Wales, whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN (the **Master Issuer**);
- (3) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH** (the **Security Trustee**, which expression where the context permits shall include such person and all other persons for the time being acting as the trustee or trustees under the Funding Deed of Charge) whose principal office is at One Canada Square, London E14 5AL; and
- (4) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH** acting through its offices at 40th Floor, One Canada Square, London E14 5AL (acting in its capacity as the **Agent Bank** appointed by the Master Issuer under the Master Issuer Paying Agent and Agent Bank Agreement).

**WHEREAS:**

- (A) From time to time, the Master Issuer will issue Master Issuer Notes pursuant to the Programme.
- (B) The Master Issuer has agreed that it will lend the proceeds (or, as applicable, the sterling equivalent thereof) of any issue of Master Issuer Notes by it and the proceeds of any Increase Amounts under any Class Z Variable Funding Notes to Funding.
- (C) The Master Intercompany Loan Agreement entered into on 28 November 2006 between the parties hereto, as amended and restated on 20 March 2008, 29 June 2012, 18 April 2016, 24 May 2019, 4 March 2020, 30 June 2021 and 24 May 2022 (the **Amended and Restated Intercompany Loan Agreement**), sets out the terms and conditions with respect to the lending by the Master Issuer of the proceeds of the issue of Master Issuer Notes to Funding.
- (D) The parties to this Agreement have agreed to amend and restate the terms of the Amended and Restated Master Intercompany Loan Agreement as set out herein.

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Construction**

The Eighteenth Amended and Restated Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Ashurst LLP on or about the date hereof and the Twentieth Amended and Restated Master Issuer Master Definitions and Construction Schedule signed for the purposes of identification by Allen & Overy LLP and Ashurst LLP on the date hereof (in each case as the same may be amended, varied or supplemented from time to time with the consent of the parties hereto) are expressly and specifically incorporated into this Agreement and, accordingly, Clause 3 of the Eighteenth Amended and Restated Master Definitions and Construction Schedule is expressly and specifically incorporated herein and the expressions defined in the

Eighteenth Amended and Restated Master Definitions and Construction Schedule and the Twentieth Amended and Restated Master Issuer Master Definitions and Construction Schedule (as so amended, varied or supplemented from time to time) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the Recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in clause 2 of the Eighteenth Amended and Restated Master Definitions and Construction Schedule and clause 2 of the Twentieth Amended and Restated Master Issuer Master Definitions and Construction Schedule. In the event of a conflict between the Eighteenth Amended and Restated Master Definitions and Construction Schedule and the Twentieth Amended and Restated Master Issuer Master Definitions and Construction Schedule, the Twentieth Amended and Restated Master Issuer Master Definitions and Construction Schedule shall prevail.

## 1.2 Amendment and restatement

This Agreement amends and restates the Amended and Restated Intercompany Loan Agreement. As at the date of this Agreement (the **Effective Date**), any future rights or obligations (excluding such rights and obligations accrued to the Effective Date) of a party under the Amended and Restated Intercompany Loan Agreement shall be extinguished and shall instead be governed by this Agreement.

## 2. THE FACILITY

Subject to the terms of this Agreement, the Master Issuer agreed to make available to Funding a facility (the **Master Intercompany Loan Facility**). On the London Business Day prior to each Closing Date, the Master Issuer shall offer Term Advances to Funding under the Master Intercompany Loan Facility that correspond to each Series and Class of Master Issuer Notes to be issued by the Master Issuer on the relevant Closing Date (and, in the case of a Term NR VFN Advance, make available further advances under such Term NR VFN Advance on each date on which an Increase Amount is subscribed under the relevant Class Z Variable Funding Note (the **Increase Date**)). Each Term Advance shall be denominated in Sterling. Subject to the terms of this Agreement, on each Closing Date, Funding shall accept the offer.

## 3. CONDITIONS PRECEDENT

Save as the Master Issuer, Funding and the Security Trustee may otherwise agree, and save in respect of a Term NR VFN Advance other than as provided for in **Clause 6.4(b)**, each Term Advance will not be available for utilisation on the relevant Closing Date unless:

- (a) the related Series and Class of Master Issuer Notes has been issued by the Master Issuer on the relevant Closing Date and the subscription proceeds thereof have been received by or on behalf of the Master Issuer;
- (b) the Security Trustee has confirmed to Funding that it or its advisers have received (at any time on or prior to such Closing Date) all the information and documents listed in Schedule 1 (Conditions Precedent) hereto in form and substance satisfactory to the Security Trustee;
- (c) Funding and the Master Issuer have signed a Term Advance Supplement in respect of that Term Advance (substantially in the form set out in Schedule 3 (Form of Term Advance Supplement) hereto);
- (d) Funding has confirmed in the applicable Term Advance Supplement that:

- (i) no Master Intercompany Loan Event of Default has occurred and is continuing unremedied (if capable of remedy) or unwaived or would result from the making of such Term Advance; and
  - (ii) the representations set out in **Clause 13** are true on and as of the relevant Closing Date by reference to the facts and circumstances then existing;
- (e) Funding has delivered a solvency certificate substantially in the form set out in Schedule 4 (Form of Solvency Certificate) hereto;
  - (f) the Master Issuer has confirmed in the applicable Term Advance Supplement that no Note Event of Default has occurred and is continuing unremedied (if capable of remedy) or unwaived or would result from the making of such Term Advance;
  - (g) each of the Rating Agencies has confirmed in writing to the Security Trustee that there will not, as a result of the Master Issuer issuing any Master Issuer Notes on the Closing Date, be any adverse effect on the then current ratings by the Rating Agencies of any then outstanding Rated Master Issuer Notes of the Master Issuer (it being acknowledged that none of the Rating Agencies has any obligation to provide such confirmation at any time and that the confirmation of one of the Rating Agencies may be sufficient for that purpose *provided that* (i) a written request for confirmation or response has been delivered to each Rating Agency by or on behalf of the Master Issuer (copied to the Security Trustee) and (ii) one or more Rating Agencies either (x) indicates it does not consider such confirmation or response necessary, or (y) such request elicits no confirmation or response by such Rating Agency within a reasonable timeframe);
  - (h) one or more Deeds of Accession relating to the Funding Deed of Charge have been executed by any additional Funding Secured Creditors and the parties to the Funding Deed of Charge; and
  - (i) all other conditions precedent as may be specified in the applicable Term Advance Supplement have been satisfied.

#### **4. PURPOSE**

##### **4.1 Purpose and application of a Term Advance**

The proceeds of each Term Advance may (subject, in the case of Term NR VFN Advances, as provided below) only be used by Funding:

- (a) to pay the Seller the Purchase Price for the sale of any New Portfolio to the Mortgages Trustee on the relevant Closing Date (which payment shall increase the Funding Share of the Trust Property in accordance with the terms of the Mortgages Trust Deed);
- (b) to acquire part of the Seller Share of the Trust Property (such payment to be made to the Seller which shall increase the Funding Share of the Trust Property in accordance with the terms of the Mortgages Trust Deed);
- (c) to refinance the existing debt of Funding, including any existing Term Advance or a New Term Advance (in whole or in part); and/or
- (d) to fund or partly fund or replenish the Funding Reserve Fund.

For the avoidance of doubt, a Term NR VFN Advance, including any further advances thereunder, may also be used by Funding to refinance (in whole or in part) one or more Term NR Advances.

#### **4.2 Application of amounts**

Without prejudice to the obligations of Funding under this **Clause 4**, neither the Security Trustee nor any of the Funding Secured Creditors shall be obliged to concern themselves as to the application of amounts raised by Funding under a Term Advance.

### **5. LIMITED RECOURSE**

#### **5.1 Recourse limited to available funds**

Subject to **Clause 5.2** but notwithstanding the terms of any other provision in this Agreement or any other Transaction Document, each of the Master Issuer and the Security Trustee agree that the liability of Funding in respect of its obligations to repay principal and pay interest or any other amounts due under this Agreement or for any breach of any representation, warranty, covenant or undertaking of Funding under this Agreement shall be limited to amounts standing to the credit of the Funding GIC Account and the Funding Transaction Account from time to time (including, for the avoidance of doubt, amounts received by Funding in respect of the Funding Share of the Trust Property and from the Funding Swap Provider except for any collateral transferred to it under the Funding Swap), provided that the application of such amounts to the discharge of Funding's obligations under this Agreement shall be subject to the terms of the Funding Deed of Charge and the relevant Funding Priority of Payments in all cases.

#### **5.2 Shortfall on Final Repayment Date**

To the extent that on the Final Repayment Date of any Term Advance advanced under this Agreement there is a shortfall between all amounts (including interest and principal) payable on that Term Advance under this Agreement and the amounts available therefor, that shortfall shall not be due and payable to the Master Issuer until the time, if ever, when Funding has enough money available to pay the shortfall on that Term Advance after making any other payments due that rank higher in priority to that Term Advance. Following enforcement of the Funding Security and distribution of all enforcement proceeds in accordance with the Funding Deed of Charge, all outstanding claims that the Master Issuer and the Security Trustee may otherwise have against Funding will be extinguished.

### **6. ADVANCE OF TERM ADVANCES**

#### **6.1 Notice to Funding**

Not later than 2:00 p.m. (London time) on the relevant Closing Date (or such later time as may be agreed in writing by Funding, the Master Issuer and the Security Trustee), Funding shall give to the Master Issuer (copied to the Security Trustee) a Term Advance Notice (substantially in the form set out in Schedule 1 (Form of Term Advance Notice) hereto) which shall request the drawing of a Term Advance and delivery of which shall (subject to the terms of this Agreement and to the issue of the relevant Series and Class of Master Issuer Notes by the Master Issuer) oblige Funding to borrow the whole amount stated in the Term Advance Notice on the relevant Closing Date upon the terms and subject to the conditions contained in this Agreement and such Term Advance Notice will set out, *inter alia*:

- (a) the amount and currency or currencies of the proposed issue of each Series and Class of Master Issuer Notes under the Programme;

- (b) the Specified Currency Exchange Rate(s) at which the Master Issuer will swap the proceeds of each Series and Class of Master Issuer Notes that is not denominated in Sterling into Sterling; and
- (c) the principal amount of each Term Advance available for drawing under the Master Intercompany Loan Facility on such Closing Date.

## **6.2 Term Advances correspond to Series and Classes of Master Issuer Notes**

Each Term Advance shall be identified by reference to the relevant Series and Class of Master Issuer Notes that is used to fund it, as set out in the applicable Term Advance Supplement.

## **6.3 Term Advance Supplement**

The Term Advance Supplement to be signed on each Closing Date in accordance with **Clause 3(c)** shall record, amongst other things, the amount of each Term Advance to be made on such Closing Date, which shall correspond to the principal amount of such Term Advance that is available for drawing which is notified to the Master Issuer in the applicable Term Advance Notice.

## **6.4 Drawing of the Term Advance**

- (a) In respect of a Term Advance other than a Term NR VFN Advance, on satisfaction of the conditions set out in **Clause 3**, the Master Issuer shall make the applicable Term Advance available to Funding on the relevant Closing Date. The aggregate of such Term Advances to be made on the relevant Closing Date will only be available for drawing in one amount by Funding on the relevant Closing Date.
- (b) Each Term NR VFN Advance excluding any further advance made pursuant to an existing Term NR VFN Advance will be advanced on the relevant Closing Date subject to the satisfaction of the relevant matters specified in Clauses 3(a), (b), (c), (d) and (i), where applicable.
- (c) The Master Issuer shall (on the relevant Increase Date) make a further advance to Funding in an amount equal to any Increase Amount subscribed on an Increase Date in respect of each relevant Term NR VFN Advance and Funding agrees to borrow each such amount. On and from the Increase Date, the Outstanding Principal Balance of such Term NR VFN Advance shall be increased by an amount equal to the Increase Amount and the Term NR VFN Advance shall pay interest by reference to the reference rate specified in that Term Advance Supplement.

## **6.5 Redemption/Payment Basis**

Each Term Advance may be a Bullet Term Advance, a Scheduled Amortisation Term Advance, a Pass-Through Term Advance or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Term Advance Supplement.

# **7. INTEREST**

## **7.1 Interest Periods**

- (a) The first Interest Period in respect of a Term Advance will commence on (and include) the Interest Commencement Date relating to that Term Advance and end on (but exclude) the first Interest Payment Date falling thereafter. Each subsequent Interest Period shall commence on (and include) an Interest Payment Date and end on (but exclude) the next following Interest Payment Date.

- (b) Whenever it is necessary to compute an amount of interest in respect of a Term Advance for any period (including any Interest Period), such interest shall be calculated on the basis of the actual number of days elapsed in such period and a year of 365 days (or, in respect of the calculation of an amount of interest in respect of a Term Advance which corresponds to a Master Issuer Note issued on or after 20 March 2008, such interest shall be calculated on the basis of the day count fraction specified in the relevant Final Terms in respect of such Master Issuer Note).

## 7.2 Determination of Term Advance Interest Amount

- (a) In relation to any Term Advance which pays a Compounded Daily SONIA rate, as specified in the relevant Term Advance Supplement, the Term Advance Rate of Interest will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the relevant Term Advance Supplement) the Relevant Margin and the Term Advance Interest Amount in respect of such Term Advance shall be determined on the basis of the provisions set out below and, in the case of a Term NR VFN Advance, subject to the calculation provisions set out in Clause 7.2(e):

### (i) Compounded Daily SONIA (Non-Index Determination)

Where Overnight Rate is specified as "Applicable", the Loan Reference Rate is specified as being "Compounded Daily SONIA" and Index Determination is specified as "Not Applicable" for a Term Advance in the applicable Term Advance Supplement, the following provisions shall apply and the Term Advance Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Term Advance Supplement) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Term Advance Rate of Interest, as specified in the applicable Term Advance Supplement).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Loan Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Term Advance Rate of Interest, as specified in the applicable Term Advance Supplement) on the Interest Determination Date (i) as further specified in the applicable Term Advance Supplement; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_c} \left( 1 + \frac{\text{Daily SONIA} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** means the number of calendar days in:

- (a) where in the applicable Term Advance Supplement "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Term Advance Supplement "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Daily SONIA** means (save as specified in the applicable Term Advance Supplement), in respect of any London Business Day:



- (a) where in the applicable Term Advance Supplement "Lag" is specified as the Observation Method, SONIAi-pLBD; or
- (b) where in the applicable Term Advance Supplement "Shift" is specified as the Observation Method, SONIAi;

**do** means the number of London Business Days in:

- (a) where in the applicable Term Advance Supplement "Lag" is specified as the Observation Method, the relevant Interest Period; or
- (b) where in the applicable Term Advance Supplement "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available SONIA, as specified in the applicable Term Advance Supplement, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

**i** means a series of whole numbers from 1 to do, each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in:

- (a) where in the applicable Term Advance Supplement "Lag" is specified as the Observation Method, in the relevant Interest Period; or
- (b) where in the applicable Term Advance Supplement "Shift" is specified as the Observation Method, the relevant SONIA Observation Period;

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

**ni**, for any London Business Day *i*, means the number of calendar days from (and including) such London Business Day up to (but excluding), the following London Business Day;

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Term Advance Supplement;

**Relevant Screen Page** has the meaning given to it in the applicable Term Advance Supplement;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Observation Period** means, in respect of each Interest Period, the period from (and including) the date falling *p* London Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling *p* London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling *p* London Business Days prior to such earlier date, if any, on which the Term Advance becomes due and payable);

**SONIA reference rate** in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Business Day as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the London Business Day immediately following such London Business Day;

**SONIA<sub>i</sub>** means (save as specified in the applicable Term Advance Supplement) in respect of any London Business Day *i* falling in the relevant SONIA Observation Period, the SONIA reference rate for such day; and

**SONIA<sub>i</sub>-pLBD** means (save as specified in the applicable Term Advance Supplement) in respect of any London Business Day *i* falling in the relevant Interest Period, the SONIA reference rate for the London Business Day falling *p* London Business Days prior to such day.

(ii) **Compounded Daily SONIA (Index Determination)**

Where Overnight Rate and Index Determination are specified as "Applicable" and the Loan Reference Rate is specified as being "Compounded Daily SONIA" for a Term Advance in the applicable Term Advance Supplement, the following provisions shall apply and the Term Advance Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Term Advance Supplement) the Margin (if any), as calculated by the Agent Bank (or such other party responsible for the calculation of the Term Advance Rate of Interest, as specified in the applicable Term Advance Supplement).

**Compounded Daily SONIA** means, in relation to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Loan Reference Rate for the calculation of interest) and will be calculated by the Agent Bank (or such other party responsible for the calculation of the Term Advance Rate of Interest, as specified in the applicable Term Advance Supplement) on the Interest Determination Date (i) as further specified in the applicable Term Advance Supplement; or (ii) in accordance with the following formula, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left( \frac{\text{SONIA Index}_{End}}{\text{SONIA Index}_{Start}} - 1 \right) \times \frac{365}{d}$$

where:

**d** means the number of calendar days from (and including) the day in relation to which SONIA IndexStart is determined to (but excluding) the day in relation to which SONIA IndexEnd is determined;

**Designated Source** means the screen page, display page or other information service of a distributor or other information service provider that is authorised by the SONIA Administrator to publish or otherwise make available the SONIA Index, as specified in the applicable Term Advance Supplement, or any successor thereto or replacement thereof (and if any such screen page, display page or other information service is temporarily unavailable, as otherwise published by such distributor or other information service provider);

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

**p** means the number of London Business Days included in the "Observation Look-back Period" specified in the applicable Term Advance Supplement;

**SONIA Administrator** means the Bank of England or any successor administrator of SONIA;

**SONIA Index** means, unless otherwise defined in the applicable Term Advance Supplement, the screen rate or index for compounded daily SONIA rates as provided by the SONIA Administrator and published, displayed or made available on the Designated Source on the relevant Interest Determination Date

**SONIA IndexStart** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to the first day of such Interest Period; and

**SONIA IndexEnd** means, with respect to an Interest Period, the SONIA Index value for the day which is p London Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period).

If, as at any relevant Interest Determination Date, the relevant SONIA Index is not published, displayed or made available on the Designated Source by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the SONIA Administrator or the relevant authorised distributor or other information service provider, as the case may be), the Compounded Daily SONIA for the applicable Interest Period for which the relevant SONIA Index is not available shall be "Compounded Daily SONIA" determined as set out under the section entitled "Compounded Daily SONIA (Non-Index Determination)" above and as if Index Determination were specified in the applicable Term Advance Supplement as being "Not Applicable", and for these purposes: (i) the "Observation Method" shall be deemed to be "Shift"; and (ii) the "Observation Look-Back Period" shall be deemed to be equal to p London Business Days, as if such alternative elections had been made in the applicable Term Advance Supplement.

- (b) If, in respect of any London Business Day in the relevant SONIA Observation Period or the relevant Interest Period (as the case may be), the Agent Bank (or such other party responsible for the calculation of the Term Advance Rate of Interest, as specified in the applicable Term Advance Supplement) determines that the SONIA reference rate is not available on the Designated Source, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Business Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Agent Bank (or such other party responsible for the calculation of the Term Advance Rate of Interest, as specified in the applicable Term

Advance Supplement) shall, subject to receiving written Instructions from the Master Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine Daily SONIA for the purpose of the relevant Term Advance for so long as the SONIA reference rate is not available or has not been published, displayed or made available on the Designated Source. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Agent Bank (or such other party responsible for the calculation of the Term Advance Rate of Interest, as specified in the applicable Term Advance Supplement) to follow such guidance in order to determine Daily SONIA, the Agent Bank (or such other party responsible for the calculation of the Term Advance Rate of Interest, as specified in the applicable Term Advance Supplement) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Term Advance Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the Term Advance Rate of Interest, as specified in the applicable Term Advance Supplement), the Term Advance Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Term Advance Rate of Interest which would have been applicable to such Term Advance for the first Interest Period had the Term Advance been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

- (c) If the Agent Bank does not at any time for any reason determine the Term Advance Rate of Interest and the Term Advance Interest Amount for any Term Advance in accordance with paragraph 7.2(a), 7.2(b), or 7.2(c) above, the Security Trustee shall (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction) determine the Term Advance Rate of Interest and Term Advance Interest Amount for such Term Advance and any such determination shall be deemed to have been made by the Agent Bank.
- (d) All notifications, opinions, determinations, certificates, calculations and decisions given, expressed, made or obtained for the purposes of this **Clause 7** shall (in the absence of wilful default, bad faith or manifest error) be binding on Funding, the Master Issuer, the Cash Manager, the Agent Bank, the Security Trustee and (in such absence as aforesaid) no liability to Funding shall attach to the Master Issuer, the Agent Bank or the Cash Manager in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.
- (e) If, in the Interest Period immediately preceding an Interest Payment Date, there has been a further advance in respect of a Term NR VFN Advance pursuant to **Clause 6.4(c) above**, the amount of interest payable in respect of such Term NR VFN Advance shall be determined as the sum of:
  - (i) the interest determined as being payable in respect of the Term NR VFN Advance as if the Outstanding Principal Balance were the Outstanding Principal Balance of the Term NR VFN Advance at the beginning of such Interest Period and as if the reference rate was the reference rate specified in the relevant Term Advance Supplement; *plus*

- (ii) the interest determined as being payable in respect of the amount of the relevant further advance corresponding to the relevant Increase Amount calculated on the basis set out in the other provisions of this Clause 7.2 as if references in such provisions to the Term Advance and the Outstanding Principal Balance were instead references to the relevant further advance and the amount of the relevant further advance corresponding to the relevant Increase Amount, respectively, and the Interest Period in respect of such relevant further advance commenced on the relevant Increase Date. The Term Advance Rate of Interest payable in respect of any relevant further advance advanced on an Increase Date which is not an Interest Payment Date shall be the same rate as that which would be determined in respect of the Term NR VFN Advance pursuant to this **Clause 7.2** immediately prior to such Increase Date, or such other rate as may be specified in the applicable Term Advance Supplement in respect of such Term NR VFN Advance.

In all other cases, the interest payable in respect of each Term NR VFN Advance shall be determined pursuant to Clause 7.2(a), 7.2(b), 7.2(c) or 7.2(d) above, as applicable.

- (f) The Master Issuer shall confirm whether an additional margin equal to the NIRM Amount (payable under the Master Issuer Swap relating to the Series and Class of Master Issuer Notes that is used to fund that Term Advance) applies to a Term Advance and such additional margin (if applicable) shall be specified in the relevant Term Advance Supplement.

### **7.3 Payment on Interest Payment Dates**

Subject to **Clause 5.1**, Funding shall pay interest in respect of each Term Advance on the Interest Payment Dates specified in the applicable Term Advance Supplement.

### **7.4 Deferred Interest**

Subject to **Clause 5.2**, to the extent that there are insufficient funds available to pay interest on a Term Advance on any Interest Payment Date, the shortfall in the interest amount payable will not then fall due but will instead be due on the next Interest Payment Date (if any) on which sufficient funds are available to pay such interest and, pending such payment, will accrue interest at the rate specified for such Term Advance in the applicable Term Advance Supplement.

### **7.5 Certain Fees**

In addition to the interest and principal payments to be made by Funding in respect of each Term Advance under this **Clause 7** and **Clause 8**, respectively, on each Interest Payment Date or on any other date on which the Master Issuer notifies Funding, but subject to **Clause 5.1**, Funding shall pay to the Master Issuer for same day value to the Master Issuer Transaction Account a fee for the provision of the Master Intercompany Loan Facility (except that, in the case of payments due under paragraphs (a), (b), (d), (e) and (j) below, such payments shall be paid when the relevant amounts fall due by the Master Issuer). Such fee shall be an amount or amounts in the aggregate equal to the following:

- (a) the fees, costs, charges, liabilities and expenses and any other amounts due and payable to the Note Trustee, the Security Trustee and the Master Issuer Security Trustee pursuant to the Master Issuer Trust Deed, the Master Issuer Deed of Charge or any other Transaction Document, together with interest thereon as provided therein;

- (b) the reasonable fees and expenses of any legal advisers, accountants and auditors appointed by the Master Issuer and properly incurred in their performance of their functions under the Transaction Documents which have fallen due;
- (c) the fees, costs and expenses due and payable to the Paying Agents, the Agent Bank, the Transfer Agent and the Registrar pursuant to the Master Issuer Paying Agent and Agent Bank Agreement;
- (d) any amounts due and payable by the Master Issuer to HM Revenue and Customs in respect of the Master Issuer's liability to United Kingdom corporation tax (insofar as payment is not or will not be capable of being satisfied by the surrender of group relief or out of the profits, income or gains of the Master Issuer and subject to the terms of the Master Issuer Deed of Charge) or any other Taxes payable by the Master Issuer;
- (e) the fees, costs, charges, liabilities and expenses due and payable to the Master Issuer Account Bank pursuant to the Master Issuer Bank Account Agreement (if any);
- (f) the fees, costs, charges, liabilities and expenses due and payable to the Master Issuer Cash Manager pursuant to the Master Issuer Cash Management Agreement;
- (g) the fees, costs, charges, liabilities and expenses due and payable to the Master Issuer Corporate Services Provider pursuant to the Master Issuer Corporate Services Agreement;
- (h) any termination payment due and payable by the Master Issuer to a Master Issuer Swap Provider pursuant to a Master Issuer Swap Agreement;
- (i) £1,250, provided that the amount payable by Funding to the Master Issuer pursuant to this paragraph (i) together with the amount payable by Funding to the Master Issuer pursuant to paragraph (d) above, in respect of each accounting period of the Master Issuer, shall in aggregate not exceed an amount equal to 0.01% of the interest amounts paid by Funding to the Master Issuer in respect of the Term Advances in that accounting period; and
- (j) any other amounts due or overdue by the Master Issuer to third parties including the Rating Agencies and the amounts paid by the Master Issuer under the Programme Agreement, each Subscription Agreement and each Initial Purchase Agreement (excluding, for these purposes, the Noteholders) other than amounts specified in paragraphs (a) to (i) above,

together with, (i) in respect of taxable supplies made to the Master Issuer, an amount in respect of any VAT or similar tax payable in respect thereof against production of a valid tax invoice; and (ii) in respect of taxable supplies made to a person other than the Master Issuer, any amount in respect of any VAT or Irrecoverable VAT or similar tax (as the case may be) payable in respect thereof as provided in the relevant agreement (against production of a copy of the relevant tax invoice), and to be applied subject to and in accordance with the provisions of the Master Issuer Pre-Enforcement Revenue Priority of Payments in the Master Issuer Cash Management Agreement. The parties acknowledge that the amount payable by Funding to the Master Issuer pursuant to this **Clause 7.5** shall be paid in accordance with the Funding Deed of Charge and the relevant Funding Priority of Payments (which prior to enforcement of the Funding Security shall be paragraph (a)(ii) of the Funding Pre-Enforcement Revenue Priority of Payments in the case of the amount payable pursuant to paragraphs (a) to (g) and (j) above and paragraph (s) of the Funding Pre-Enforcement Revenue Priority of Payments in the case of the amount payable pursuant to paragraphs (h) and (i) above) and (in each case) subject to the provisions of **Clause 5.1** such that in the event of a shortfall resulting in any such amount not being paid on an Interest Payment Date then such amount shall not be paid until the next Interest Payment Date (if any) on which Funding has sufficient amounts standing to

the credit of the Funding GIC Account and the Funding Transaction Account to pay such amount in accordance with the Funding Deed of Charge and the relevant Funding Priority of Payments.

## 7.6 Set-off

Funding and each of the other parties to this Agreement agree that the Master Issuer shall be entitled to set-off those amounts due and payable by Funding pursuant to **Clause 7.5** on the Closing Date for a Term Advance against the amount to be advanced by the Master Issuer to Funding under such Term Advance on such Closing Date.

## 8. REPAYMENT

### 8.1 Repayment of Term Advances

Subject to **Clause 5**, on each Loan Payment Date, other than a Loan Payment Date on which a Term Advance is to be repaid under **Clause 9**, Funding shall repay principal in respect of such Term Advance in an amount equal to:

- (a) prior to the occurrence of a Trigger Event, enforcement of the Funding Security or the service on the Master Issuer of a Note Enforcement Notice, the lower of:
  - (i) the amount due to be paid on such Loan Payment Date as specified for such Term Advance in the applicable Term Advance Supplement; and
  - (ii) the amount which is available, under the terms of the Funding Deed of Charge and the Cash Management Agreement, to repay principal in respect of such Term Advance as set out in paragraph 1 of part II of schedule 3 of the Funding Deed of Charge,

provided that, in the case of any Pass-Through Term Advance, the amount of principal to be repaid by Funding in respect of such Term Advance on the applicable Loan Payment Date shall be calculated in accordance with sub-paragraph (ii) above; or

- (b) following the occurrence of a Non-Asset Trigger Event but prior to the occurrence of an Asset Trigger Event, enforcement of the Funding Security or the service on the Master Issuer of a Note Enforcement Notice, the amount which is available under the terms of the Funding Deed of Charge and the Cash Management Agreement to repay principal in respect of such Term Advance in such circumstances as set out in paragraph 5 of part II of schedule 3 of the Funding Deed of Charge; or
- (c) following the occurrence of an Asset Trigger Event but prior to enforcement of the Funding Security or the service on the Master Issuer of a Note Enforcement Notice, the amount which is available under the terms of the Funding Deed of Charge and the Cash Management Agreement to repay principal in respect of such Term Advance in such circumstances as set out in paragraph 6 of part II of schedule 3 of the Funding Deed of Charge; or
- (d) following enforcement of the Funding Security but prior to service on the Master Issuer of a Note Enforcement Notice, the amount which is available under the terms of the Funding Deed of Charge and the Cash Management Agreement to repay principal in respect of such Term Advance in such circumstances as set out in paragraph 7.1 of part II of schedule 3 of the Funding Deed of Charge; or

- (e) following service on the Master Issuer of a Note Enforcement Notice, the amount which is available under the terms of the Funding Deed of Charge and the Cash Management Agreement to repay principal in respect of such Term Advance in such circumstances as set out in paragraph 7.2 of part II of schedule 3 of the Funding Deed of Charge.

To the extent that there are insufficient funds available to Funding to repay the amount due to be paid on such Loan Payment Date, Funding will be required to repay the shortfall, to the extent that it receives funds therefor (and subject to the terms of the Funding Deed of Charge and the Cash Management Agreement), on subsequent Loan Payment Dates in respect of such Term Advance.

## **8.2 Term Advance Ratings**

Unless otherwise specified for any Term Advance in the applicable Term Advance Supplement, such Term Advance shall be repaid (as to both interest and principal) in the priority according to the Term Advance Rating of that Term Advance. The Term Advance Rating for a Term Advance will be specified for such Term Advance in the applicable Term Advance Supplement.

## **8.3 Payment subject to terms of the Funding Deed of Charge**

The terms and conditions of **Clause 7** and this **Clause 8** are to be read in conjunction with the provisions of the Funding Deed of Charge, as the same may be modified from time to time in accordance with the provisions thereof.

## **9. PREPAYMENT**

### **9.1 Prepayment for taxation or other reasons**

If:

- (a) Funding is required to withhold or deduct from any payment of principal or interest in respect of any Term Advance any amount for or on account of Tax; or
- (b) the Master Issuer is required to withhold or deduct from any payment of principal, interest or premium in respect of its Master Issuer Notes any amount for or on account of Tax; or
- (c) a Term Advance becomes illegal as described in **Clause 11**,

then, without prejudice to the obligations of Funding under **Clause 11** and subject to **Clause 12**, Funding may prepay, on any Interest Payment Date, having given not more than 60 days' and not less than 30 days' (or such shorter period as may be required by any relevant law in the case of any Term Advance which becomes illegal pursuant to **Clause 11**) prior written notice to the Master Issuer and the Note Trustee (or on or before the latest date permitted by the relevant law in the case of **Clause 11**) so long as the relevant circumstances continue, the applicable Term Advances without penalty or premium but subject to **Clause 16**, provided that the Master Issuer is able to redeem the related Master Issuer Notes used to fund such Term Advance on such Interest Payment Date from funds received from repayment of such Term Advance.

### **9.2 Prepayment at option of Master Issuer**

The Master Issuer, at its option, may require Funding to prepay the Outstanding Principal Balance of a Term Advance (together with any accrued interest) on any Interest Payment Date on which the Master Issuer has decided to exercise its option, if any, to redeem in full the Master Issuer Notes used to fund such Term Advance. The Master Issuer shall give Funding not more than 60 days' and



not less than 30 days' prior written notice of the Master Issuer's decision to exercise its option to require Funding to prepay the relevant Term Advance. Any prepayment by Funding will be made without penalty or premium but will be subject to **Clause 16**.

### **9.3 Application of monies**

The Master Issuer hereby agrees to apply any amounts received by way of prepayment pursuant to **Clause 9.1** or **Clause 9.2** to redeem, in full or in part, the relevant Master Issuer Notes.

## **10. TAXES**

### **10.1 No gross up**

All payments by Funding under this Agreement shall be made without any deduction or withholding for or on account of, and free and clear of, any Taxes, except to the extent that Funding is required by law to make payment subject to such deduction or withholding.

### **10.2 Tax receipts**

All Taxes required by law to be deducted or withheld by Funding from any amounts paid or payable under this Agreement shall be paid by Funding when due and Funding shall, within 30 days of the payment being made, deliver to the Master Issuer evidence satisfactory to the Master Issuer (including all relevant Tax receipts) that the payment has been duly remitted to the appropriate authority.

## **11. ILLEGALITY**

If, at any time, it is unlawful for the Master Issuer to make, fund or allow to remain outstanding a Term Advance made by it under this Agreement, then the Master Issuer shall, promptly after becoming aware of the same, deliver to Funding, the Security Trustee and the Rating Agencies a certificate to that effect and, if the Master Issuer so requires, Funding shall promptly, to the extent necessary to cure such illegality, prepay such Term Advance subject to and in accordance with the provisions of **Clause 9.1**.

## **12. MITIGATION**

If circumstances arise in respect of the Master Issuer which would, or would upon the giving of notice, result in:

- (a) the prepayment of the Term Advances pursuant to **Clause 11**; or
- (b) a withholding or deduction from the amount to be paid by Funding for or on account of Taxes pursuant to **Clause 10**,

then, without in any way limiting, reducing or otherwise qualifying the obligations of Funding under this Agreement, the Master Issuer shall:

- (i) promptly upon becoming aware of the circumstances, notify the Security Trustee, Funding and the Rating Agencies; and
- (ii) upon written request from Funding, take such reasonable steps as may be practical to mitigate the effects of those circumstances including (without limitation) the assignment of the Master Issuer's rights under this Agreement to, and assumption of all the Master Issuer's obligations under this Agreement by, another company satisfactory to the Security Trustee,

which is willing to participate in the Term Advances in its place and which is not subject to (a) and/or (b) above,

provided that no such transfer or assignment and transfer of such rights and obligations may be permitted unless the Rating Agencies confirm in writing to Funding and the Security Trustee that there will be no downgrading of the then current rating of the Rated Master Issuer Notes issued by the Master Issuer as a result and Funding indemnifies the Master Issuer for any reasonable costs and expenses properly incurred as a result of such transfer or assignment.

### **13. REPRESENTATIONS AND WARRANTIES OF FUNDING**

#### **13.1 Representations and warranties**

Funding makes the representations and warranties set out in this **Clause 13** to the Master Issuer and the Security Trustee (as trustee for each of the Funding Secured Creditors).

#### **13.2 Status**

- (a) It is a limited liability company duly incorporated, validly existing and registered under the laws of the jurisdiction in which it is incorporated, capable of being sued in its own right and not subject to any immunity from any proceedings; and
- (b) it has the power to own its property and assets and to carry on its business as it is being conducted.

#### **13.3 Powers and authority**

It has the power to enter into, perform and deliver, and has taken all necessary corporate and other action to authorise the execution, delivery and performance by it of, each of the Transaction Documents to which it is a party.

#### **13.4 Legal validity**

Each Transaction Document to which it is or will be a party constitutes, or when executed in accordance with its terms will constitute, a legal, valid and binding obligation of Funding.

#### **13.5 Non-conflict**

The execution by it of each of the Transaction Documents to which it is a party and the exercise by it of its rights and the performance of its obligations under such Transaction Documents including, without limitation, borrowing pursuant to the terms of this Agreement or granting any security contemplated by the Transaction Documents will not:

- (a) result in the existence or imposition of, nor oblige it to create, any Security Interest in favour of any person (other than the Funding Secured Creditors or as otherwise contemplated in the Transaction Documents) over all or any of its present or future revenues or assets;
- (b) conflict with any document which is binding upon it or any of its assets;
- (c) conflict with its constitutional documents; or
- (d) conflict with any law, regulation or official or judicial order of any government, governmental body or court, domestic or foreign, having jurisdiction over it.

**13.6 No litigation**

No litigation, arbitration or administrative proceedings are current or, to its knowledge, pending or threatened.

**13.7 No default**

No Master Intercompany Loan Event of Default is continuing unremedied (if capable of remedy) or unwaived or would result from the making of any Term Advance.

**13.8 Authorisations**

All consents, licences, approvals, notices and authorisations required or desirable in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, the Transaction Documents have been obtained or effected (as appropriate) and are in full force and effect.

**13.9 Registration requirements**

Except for due registration of the Funding Deed of Charge under Section 395 of the Companies Act 1985, it is not necessary that the Funding Deed of Charge or this Agreement be filed, recorded or enrolled with any authority or that, except for registration fees payable to the Registrar of Companies in respect of the Funding Deed of Charge, any stamp, registration or similar tax be paid on or in respect thereof.

**13.10 Ranking of security**

The security conferred by the Funding Deed of Charge constitutes a first priority security interest of the type described, and over the security assets referred to, in the Funding Deed of Charge and the Funding Charged Property is not subject to any prior or *pari passu* Security Interests.

**13.11 No other business**

- (a) It has not traded or carried on any business since its date of incorporation or engaged in any activity whatsoever that is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that it will engage.
- (b) It is not party to any material agreements other than the Transaction Documents.

**13.12 Ownership**

- (a) Its entire issued share capital is beneficially owned and controlled by Holdings.
- (b) Its shares are fully paid.

**13.13 Good title as to assets**

Subject to the Security Interests created under the Funding Deed of Charge, it is and will remain the absolute beneficial owner of the Funding Share and absolute legal and beneficial owner of all other assets charged or assigned by the Funding Deed of Charge to which it is a party.

**13.14 Tax**

- (a) It is a resident for tax purposes and legally domiciled in its jurisdiction of incorporation; and

- (b) it has no branch, business establishment or other fixed establishment outside the United Kingdom.

### **13.15 Repetition**

The representations in this **Clause 13** shall survive the execution of this Agreement and the making of each Term Advance under this Agreement, and shall be repeated by Funding on each Closing Date relating to the making of each Term Advance by reference to the facts and circumstances then existing.

## **14. COVENANTS**

### **14.1 Duration**

The undertakings in this **Clause 14** shall remain in force from the date of this Agreement for so long as any amount is or may be outstanding under this Agreement.

### **14.2 Information**

Funding shall supply to the Security Trustee and the Rating Agencies:

- (a) as soon as the same are available, its audited accounts for that Financial Year; and
- (b) promptly, such other information in connection with the matters contemplated by the Transaction Documents as the Security Trustee or the Rating Agencies may reasonably request.

### **14.3 Notification of Default**

Funding shall notify the Master Issuer and the Security Trustee of any Master Intercompany Loan Event of Default (and the steps, if any, being taken to remedy it) promptly upon Funding becoming aware of its occurrence.

### **14.4 Authorisations**

Funding shall promptly:

- (a) obtain, maintain and comply with the terms of; and
- (b) upon request, supply certified copies to the Master Issuer and the Security Trustee of, any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, any Transaction Document to which it is a party.

### **14.5 Pari passu ranking**

Funding shall procure that its obligations under the Transaction Documents do and will rank at least *pari passu* with all its other present and future unsecured obligations, except for obligations mandatorily preferred by law.

### **14.6 Negative pledge**

Funding shall not create or permit to subsist any Security Interest over or in respect of any of its assets (unless arising by operation of law) other than as provided pursuant to the Transaction Documents.

#### **14.7 Disposals**

Funding shall not, either in a single transaction or in a series of transactions, whether related or not and whether voluntarily or involuntarily, sell, lend, assign, transfer, lease, part with or otherwise dispose of or grant any option over all or any part of its assets, properties or undertakings or any interest, estate, right, title or benefit therein, other than as provided for pursuant to the Transaction Documents.

#### **14.8 Mergers and acquisitions**

- (a) Funding shall not enter into any amalgamation, demerger, merger or reconstruction.
- (b) Funding shall not acquire any assets or business or make any investments other than as contemplated in the Transaction Documents.

#### **14.9 Lending and borrowing**

- (a) Except as provided or contemplated under the Transaction Documents, Funding shall not make any loans or provide any other form of credit to any person.
- (b) Funding shall not give any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which Funding assumes any liability of any other person.
- (c) Funding shall not incur any indebtedness in respect of any borrowed money other than under the Transaction Documents.

#### **14.10 Shares and dividends**

Funding shall not:

- (a) declare or pay any dividend or make any other distribution in respect of any of its shares other than in accordance with the Funding Deed of Charge;
- (b) issue any further shares or alter any rights attaching to its issued shares as at the date hereof;  
or
- (c) repay or redeem any of its share capital.

#### **14.11 Change of business**

- (a) Funding shall not carry on any business or engage in any activity other than as contemplated by the Transaction Documents or which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that Funding will engage.
- (b) Funding shall not have any subsidiaries or subsidiary undertakings as defined in the Companies Act 2006.
- (c) Funding shall not have any employees or own any premises.

## **14.12 Tax**

Funding shall not apply to become part of any group for the purposes of sections 43A-D of the Value Added Tax Act 1994 (including any other legislative provisions supplementing the same) with the Master Issuer unless required to do so by law.

## **14.13 United States activities**

Funding will not engage in any activities in the United States (directly or through agents), will not derive any income from United States sources as determined under United States income tax principles and will not hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States tax principles.

## **15. DEFAULT**

### **15.1 Master Intercompany Loan Events of Default**

Each of the events set out in **Clause 15.2** to **Clause 15.9** (inclusive) is a **Master Intercompany Loan Event of Default** (whether or not caused by any reason whatsoever outside the control of Funding or any other person).

### **15.2 Non-payment**

Subject to **Clause 5.1**, Funding does not pay on the due date and such failure to pay continues for a period of three London Business Days after such due date any amount payable by it under this Agreement or any other loan agreement entered into by Funding at the place at and in the currency in which it is expressed to be payable.

### **15.3 Breach of other obligations**

Funding does not comply in any material respect (in the opinion of the Security Trustee) with any of its obligations under the Transaction Documents to which it is a party (other than those referred to in **Clause 15.2**) and such non-compliance, if capable of remedy, is not remedied promptly and in any event within twenty London Business Days of Funding becoming aware of the non-compliance or receipt of a written notice from the Security Trustee requiring Funding's non-compliance to be remedied.

### **15.4 Misrepresentation**

A representation, warranty or statement made or repeated in or in connection with any Transaction Document or in any document delivered by or on behalf of Funding under or in connection with any Transaction Document is incorrect in any material respect (in the opinion of the Security Trustee) when made or deemed to be made or repeated.

### **15.5 Insolvency**

Any corporate action is taken by Funding, or any legal proceedings are started, for the winding-up, dissolution, administration or appointment of a liquidator, receiver, administrator, administrative receiver, trustee or similar officer of Funding or of any or all of Funding's revenues and assets or any application is made or petition is lodged for the making of an administration order in relation to Funding.

## **15.6 Creditors' process**

Any attachment, sequestration, distress or execution affects any asset of Funding and is not discharged within twenty London Business Days.

## **15.7 Unlawfulness**

It is or becomes unlawful for Funding to perform any of its obligations under any Transaction Document.

## **15.8 The Funding Deed of Charge**

The Funding Deed of Charge is no longer binding on or enforceable against Funding or effective to create the security intended to be created by it.

## **15.9 Ownership**

The entire issued share capital of Funding ceases to be beneficially owned and controlled by Holdings.

## **15.10 Acceleration of Master Intercompany Loan**

Upon the occurrence of a Master Intercompany Loan Event of Default which is continuing unremedied and/or has not been waived, the Security Trustee may by written notice to Funding (a **Master Intercompany Loan Acceleration Notice**) which is copied to each of the Funding Secured Creditors and the Mortgages Trustee:

- (a) declare all Term Advances made under this Agreement to be immediately due and payable, whereupon the same shall, subject to **Clause 15.11**, become so payable together with accrued interest thereon and any other sums then owed by Funding under this Agreement; and/or
- (b) declare the Term Advances to be due and payable on demand of the Security Trustee.

## **15.11 Repayment of Master Intercompany Loan on acceleration**

Upon the Security Trustee declaring the Term Advances to be immediately due and payable pursuant to **Clause 15.10**, the amount due and payable in respect of each Term Advance shall be paid by Funding without penalty or premium but subject to **Clause 16**.

## **16. DEFAULT INTEREST AND INDEMNITY**

### **16.1 Default Loan Interest Periods**

If any sum due and payable by Funding under this Agreement is not paid on the due date for payment in accordance with this Agreement or if any sum due and payable by Funding under any judgment or decree of any court in connection with this Agreement is not paid on the date of such judgment or decree, the period beginning on such due date or, as the case may be, the date of such judgment or decree and ending on the date upon which the obligation of Funding to pay such sum (the balance thereof for the time being unpaid being herein referred to as an **unpaid sum**) is discharged shall be divided into successive periods, each of which (other than the first) shall start on (and include) an Interest Payment Date and end on (but exclude) the next Interest Payment Date unless the Security Trustee otherwise provides having regard to when such unpaid sum is likely to be paid.

## **16.2 Default interest**

During each such period relating to an unpaid sum as is mentioned in this **Clause 16** an unpaid sum shall bear interest at the rate per annum which the Master Issuer, acting reasonably, determines and certifies to Funding and the Security Trustee (upon which certification the Security Trustee can rely without liability and without further investigation) will be sufficient to enable it to pay interest and other costs and indemnities on or in respect of any amount which the Master Issuer does not pay as a result of Funding's non-payment under this Agreement, as a result of such unpaid sum not being paid to it.

## **16.3 Payment of default interest**

Any interest which shall have accrued under **Clause 16.2** in respect of an unpaid sum shall be due and payable and shall be paid by Funding at the end of the period by reference to which it is calculated.

## **16.4 Broken periods**

Funding shall forthwith on demand indemnify the Master Issuer against any loss or liability that the Master Issuer incurs as a consequence of any payment of principal being received from any source otherwise than on an Interest Payment Date or an overdue amount being received otherwise than on its due date.

## **16.5 Funding's payment indemnity**

Funding undertakes to indemnify the Master Issuer:

- (a) against any cost, claim, loss, expense (including legal fees) or liability together with any amount in respect of Irrecoverable VAT thereon (other than by reason of the negligence or wilful default by the Master Issuer) which it may sustain or incur as a consequence of the occurrence of any Master Intercompany Loan Event of Default or any default by Funding in the performance of any of the obligations expressed to be assumed by it in any of the Transaction Documents (other than by reason of negligence or wilful default on the part of the Master Issuer or prior breach by the Master Issuer of the terms of any of the Transaction Documents to which it is a party);
- (b) against any loss it may suffer as a result of its funding a Term Advance requested by Funding under this Agreement but not made; and
- (c) against any other loss or liability (other than by reason of the negligence or default of the Master Issuer or breach by the Master Issuer of the terms of any of the Transaction Documents to which it is a party (except where such breach is caused by the prior breach of Funding) or loss of profit) it may suffer by reason of having made a Term Advance available or entering into this Agreement or enforcing any security granted pursuant to the Funding Deed of Charge.

## **17. PAYMENTS**

### **17.1 Payment**

- (a) Subject to **Clause 5**, all amounts of interest and principal to be paid to the Master Issuer under this Agreement shall be paid in Sterling for value by Funding to the Master Issuer Transaction Account and the relevant irrevocable payment instruction for such payment shall be given by Funding by no



later than noon to the Master Issuer Cash Manager under the Master Issuer Cash Management Agreement (with a copy to the Master Issuer and the Security Trustee) on the Distribution Date immediately preceding the relevant Interest Payment Date.

- (b) On each date on which this Agreement requires any amount other than the amounts specified in **Clause 17.1(a)** to be paid by Funding, Funding shall, save as provided otherwise herein, make the same available to the Master Issuer by payment in Sterling in immediately available, freely transferable, cleared funds to the Master Issuer Transaction Account.

## **17.2 Alternative payment arrangements**

If, at any time, it shall become impracticable (by reason of any action of any governmental authority or any change in law, exchange control regulations or any similar event) for Funding to make any payments under this Agreement in the manner specified in **Clause 17.1**, then Funding shall make such alternative arrangements for the payment direct to the Master Issuer of amounts due under this Agreement as are acceptable to the Security Trustee.

## **17.3 No set-off**

All payments required to be made by Funding under this Agreement shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of, and without any deduction for or on account of, any set-off or counterclaim.

## **18. ENTRENCHED PROVISIONS**

Each of Funding, the Master Issuer and the Security Trustee acknowledge and agree that Funding may from time to time enter into New Intercompany Loan Agreements and that the obligation of Funding to repay the Term Advances made under this Agreement will rank pari passu with the obligations of Funding to repay any such other loans made under such New Intercompany Loan Agreements. If Funding intends to enter into a New Intercompany Loan Agreement then the provisions of this Agreement may be varied (with the consent of the parties to this Agreement to the extent necessary to reflect the terms of such New Intercompany Loan Agreement) PROVIDED THAT no variation shall be made to any of the following terms without the prior written consent of the Funding Secured Creditors and the Rating Agencies:

- (a) the determination of the Term Advance Rates of Interest;
- (b) **Clause 5** (Limited Recourse);
- (c) **Clause 10** (Taxes); and
- (d) **Clause 19.5** (Security Trustee).

## **19. FURTHER PROVISIONS**

### **19.1 Evidence of indebtedness**

In any proceeding, action or claim relating to a Term Advance a statement as to any amount due to the Master Issuer under such Term Advance which is certified as being correct by an officer of the Security Trustee shall, unless otherwise provided in this Agreement, be prima facie evidence that such amount is in fact due and payable.

## **19.2 Entire agreement, amendments and waiver and rights cumulative**

- (a) This Agreement sets out the entire agreement and understanding between the parties with respect to the subject matter of this Agreement superseding all prior oral or written understandings other than the other Transaction Documents.
- (b) Subject to **Clause 18**, no amendment or waiver of any provision of this Agreement nor consent to any departure by any of the parties therefrom shall in any event be effective unless the same shall be in writing and signed by each of the parties hereto. In the case of a waiver or consent, such waiver or consent shall be effective only in the specific instance and as against the party or parties giving it for the specific purpose for which it is given.
- (c) The respective rights of each of the parties to this Agreement are cumulative and may be exercised as often as they consider appropriate. No failure on the part of any party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies in this Agreement are cumulative and not exclusive of any remedies provided by law.

## **19.3 Assignment**

Neither the Master Issuer nor Funding may assign or transfer any of its respective rights and obligations under this Agreement PROVIDED THAT:

- (a) the Master Issuer may assign its rights, title, interest or benefit hereunder to the Security Trustee pursuant to the Master Issuer Deed of Charge; and
- (b) Funding may assign its rights hereunder to the Security Trustee pursuant to the Funding Deed of Charge.

## **19.4 Severability**

If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the validity or enforceability in other jurisdictions of that or any other provision of this Agreement.

## **19.5 Security Trustee**

The Security Trustee shall have no responsibility for any of the obligations of the Master Issuer or any other party to this Agreement (other than itself). For the avoidance of doubt, the parties to this Agreement acknowledge that the rights, protections and obligations of the Security Trustee under this Agreement are governed by the Funding Deed of Charge.

## **19.6 Counterparts**

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

## 19.7 Third Party Rights

A person who is not a party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## 20. REDENOMINATION

Each obligation under this Agreement which has been denominated in Sterling shall be redenominated in Euro in accordance with applicable legislation passed by the European Monetary Union upon such redenomination of the Master Issuer Notes.

## 21. NOTICES

### 21.1 Service of notices

Any notices to be given pursuant to this Agreement to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, by hand or by email (and in the case of the Master Issuer and Funding shall only be sufficiently served to the Master Issuer and Funding if sent by email) and shall be deemed to be given (in the case of email) when despatched if despatched before 17.00 hours on a Business Day or on the next Business Day if despatched thereafter, (in the case of delivery by hand) on the day delivered if delivered before 17.00 hours on a Business Day or on the next Business Day if delivered thereafter or (in the case of first class post) when it would be received in the ordinary course of the post and shall be sent:

- (a) in the case of the Master Issuer, to Holmes Master Issuer PLC, at 2 Triton Square, Regent's Place, London NW1 3AN (with a copy via email to: MTF@santander.co.uk and FundingLegal@santander.co.uk) for the attention of Medium Term Funding and Funding Legal;
- (b) in the case of Funding, to Holmes Funding Limited, c/o Santander UK plc 2 Triton Square, Regent's Place, London NW1 3AN (with a copy via email to: MTF@santander.co.uk and FundingLegal@santander.co.uk) for the attention of Medium Term Funding and Funding Legal;
- (c) in the case of the Security Trustee, to The Bank of New York Mellon, acting through its London Branch, One Canada Square, London E14 5AL (with a copy via email to corpsov4@bnymellon.com) for the attention of Corporate Trust Administration; and
- (d) in the case of the Agent Bank, to The Bank of New York Mellon, acting through its London Branch, 40th Floor, One Canada Square, London E14 5AL, (with a copy via email to corpsov4@bnymellon.com) for the attention of Corporate Trust Administration,

or to such other address or email or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice in accordance with the provisions of this **Clause 21**. All notices served under this Agreement shall be simultaneously copied to the Security Trustee by the person serving the same.

### 21.2 Communications to Authorised Persons

- (a) In no event shall the Security Trustee be liable for any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses) sustained by it arising due to the

Security Trustee receiving or transmitting any data from an Authorised Person via any non-secure method of transmission or communication, such as, but without limitation, by email.

- (b) Each party (other than the Security Trustee) to this Agreement accepts that some methods of communication are not secure and the Security Trustee shall incur no liability for accepting Instructions via any such non-secure method. The Security Trustee is authorised to comply with and rely upon any such notice, Instructions or other communications which it believes to have been sent or given by an Authorised Person. Each party (other than the Security Trustee) to this Agreement shall use all reasonable endeavours to ensure that Instructions transmitted by it to the Security Trustee pursuant to this Agreement are complete and correct. Any Instructions shall be conclusively deemed to be valid instructions from the relevant party (other than the Security Trustee) to this Agreement to the Security Trustee for the purposes of this Agreement.

## **22. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

- 22.1 This Agreement (and any non-contractual obligations arising out of or in connection with it) is governed by the laws of England.
- 22.2 Each party to this Agreement hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Agreement (including in relation to any claim or dispute relating to any non-contractual obligations arising out of or in connection with this Agreement), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Agreement hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

**IN WITNESS WHEREOF** the parties have caused this Agreement to be duly executed on the day and year first before written.

## SCHEDULE 1

### CONDITIONS PRECEDENT

#### 1. Authorisations

- (a) A copy of the memorandum and articles of association and certificate of incorporation of Funding.
- (b) A copy of a resolution of the board of directors of Funding authorising the entry into, execution and performance of the Term Advance Supplement and each of the relevant Transaction Documents related to the relevant Term Advance Supplement to which Funding is a party and authorising specified persons to execute those on its behalf.
- (c) A certificate of a director of Funding certifying:
  - (i) that each document delivered under this paragraph 1 of Schedule 1 is correct, complete and in full force and effect as at a date no later than the date of the Term Advance Supplement and undertaking to notify the Security Trustee if that position should change prior to the relevant Closing Date; and
  - (ii) as to the identity and specimen signatures of the directors and signatories of Funding.

#### 2. Legal opinion

Legal opinions of:

- (a) Allen & Overy LLP, English and U.S. legal advisers to the Arranger, addressed to the Arranger and, in the case of the English law legal opinion, the Security Trustee, the Master Issuer Security Trustee and the Note Trustee;
- (b) Ashurst LLP, as English legal advisers to the Master Issuer and the Servicer, addressed to the Seller and the Master Issuer;
- (c) Cleary Gottlieb Steen & Hamilton LLP, U.S. legal advisers to the Master Issuer and the Servicer, addressed to the Seller and the Master Issuer; and
- (d) Shepherd and Wedderburn LLP, Scottish legal advisers to the Seller, the Master Issuer, Funding and the Security Trustee.

#### 3. Transaction Documents

Duly executed copies of:

- (a) Bank Account Agreement;
- (b) Cash Management Agreement;
- (c) Funding Deed of Charge;
- (d) Master Definitions and Construction Schedule;
- (e) Master Intercompany Loan Agreement;

- (f) Master Issuer Bank Account Agreement;
- (g) Master Issuer Cash Management Agreement;
- (h) Master Issuer Corporate Services Agreement;
- (i) Master Issuer Deed of Charge;
- (j) Master Issuer Master Definitions Schedule;
- (k) Master Issuer Paying Agent and Agent Bank Agreement;
- (l) Master Issuer Post-Enforcement Call Option Agreement;
- (m) Master Issuer Swap Agreements;
- (n) Master Issuer Trust Deed; and
- (o) Mortgage Sale Agreement.

## SCHEDULE 2

### FORM OF TERM ADVANCE NOTICE

From: Holmes Funding Limited (**Funding**)

To: Holmes Master Issuer plc (the **Master Issuer**)

Copy: The Bank of New York Mellon, acting through its London Branch (the **Security Trustee**)

Dear Sirs,

1. We refer to the agreement between, *inter alios*, ourselves, the Master Issuer and the Security Trustee dated [●] (as from time to time amended, varied, novated or supplemented, the **Master Intercompany Loan Agreement**) whereby a Master Intercompany Loan Facility was made available to us. Terms defined in the Master Intercompany Loan Agreement shall have the same meaning in this notice.
2. We hereby give you notice that, pursuant to the Master Intercompany Loan Agreement and upon the terms and subject to the conditions contained therein, we wish the following Term Advances to be made available to us on [specify Closing Date]:
  - (a) [Series [●] [●] (Class [●]) Term Advance][Term NR VFN Advance [number]] to be funded by the [Series [●] Class [●] Master Issuer Notes][Class Z Variable Funding Note [number]] on the Closing Date:
    - (i) principal amount and currency of [●];
    - (ii) specified Currency Exchange Rate of GBP 1.00/[●];
    - (iii) Principal amount (in Sterling) available to be drawn in respect of such Term Advance of £[●];

*[repeat for all applicable Term Advances]*

3. The interest rate(s) applicable to each Term Advance will be as follows:

- (a) [Series [●] [●] (Class [●]) Term Advance][Term NR VFN Advance [number]]: [●] [plus the Class [●] NIRM Margin] [*Set out relevant interest rate(s)*]

[Class [●] NIRM Margin means the additional margin applicable to the Series [●] [●] (Class [●]) Term Advance equal to the NIRM Amount payable under the [●] Class [●] Master Issuer Swap Agreement (in circumstances where the sum of the relevant base rate and the relevant spread is a negative rate) on the relevant Interest Payment Date.]

*[repeat for all applicable Term Advances]*

Yours faithfully,

For and on behalf of  
**Holmes Funding Limited**

**SCHEDULE 3**  
**FORM OF TERM ADVANCE SUPPLEMENT**

As attached



# **FORM OF TERM ADVANCE SUPPLEMENT**

**DATED [●]**

**HOLMES FUNDING LIMITED**  
as Funding

**HOLMES MASTER ISSUER PLC**  
as Master Issuer

**THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH**  
as Security Trustee

and

**THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH**  
as Agent Bank

**THIS TERM ADVANCE SUPPLEMENT** is dated [●] between:

- (1) **HOLMES FUNDING LIMITED** (registered number 3982428), 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 (**Funding**);
- (2) **HOLMES MASTER ISSUER PLC** a company incorporated in England and Wales with limited liability (registered number 5953811) and having its registered office at 2 Triton Square, Regent's Place, London NW1 3AN (the **Master Issuer**);
- (3) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH** (the **Security Trustee**, which expression where the context permits shall include such person and all other persons for the time being acting as the trustee or trustees under the Funding Deed of Charge) whose principal office is at One Canada Square, London E14 5AL; and
- (4) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH** acting through its offices at 40th Floor, One Canada Square, London E14 5AL (acting in its capacity as the **Agent Bank** appointed by the Master Issuer under the Master Issuer Paying Agent and Agent Bank Agreement).

This document constitutes the Term Advance Supplement relating to the Master Issuer Term Advances described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Master Intercompany Loan Agreement (as from time to time amended, varied, novated or supplemented) entered into between the parties hereto on 28 November 2006 and as amended and restated on 20 March 2008, 29 June 2012, 18 April 2016, 24 May 2019, 4 March 2020, 5 June 2020, 30 June 2021 and [●] 2022. This Term Advance Supplement contains the final terms of the Master Issuer Term Advances identified and described herein, is supplemental to and must be read in conjunction with the Master Intercompany Loan Agreement.

***[To be repeated for each Term Advance (other than a Term NR VFN Advance) funded by Master Issuer Notes of each class of the same Series]***

**Term Advance:** The Series [●] Class [●] Master Issuer Notes will fund the [identifier] Master Issuer Term Advance which shall have the following terms:

1. Borrower: Holmes Funding Limited
2. Lender: Holmes Master Issuer plc
3. (i) Term Advance Rating: [●]  
(ii) Series Number: [●]
4. Initial Outstanding Principal Balance: [●]
5. (i) Closing Date: [●]  
(ii) Interest Commencement Date: [●]  
(iii) Interest Determination Dates: [●]
6. Final Repayment Date: [●]
7. Loan Payment Dates: [●]
8. Relevant Margin: [●]% per annum [plus, in respect of each Interest Payment Date, the Class [●] NIRM Margin]
9. Loan Reference Rate: [●]

[where Compounded Daily SONIA means [●]]

[Observation Method: [Not Applicable/Lag/Shift] / [unless otherwise agreed with the Agent Bank] / being no less than [●] London Banking Days prior to each relevant Interest Payment Date / [where [●] means [●]]

[Observation Look-Back Period: [●] / Not Applicable] / [unless otherwise agreed with the Agent Bank] / being no less than [●] London Banking Days prior to each relevant Interest Payment Date / [where [●] means [●]]

[Relevant Screen Page: [●]/[Not Applicable]]

[Overnight Rate: [Applicable/Not Applicable]]

[Index Determination: [Applicable/Not Applicable]]

[Designated Source: [Not Applicable]/[●]]

- [[SONIA] Index: [●]/[Not Applicable]]
10. Step-Up Date: [Not Applicable/The Interest Payment Date occurring in [specify date]]
11. Relevant Margin following Step-Up Date: [Not Applicable/[●]% per annum [plus, in respect of each Interest Payment Date, the Class [●] NIRM Margin]]
12. Redemption/Payment Basis: [Bullet Redemption]  
[Scheduled Amortisation]  
[Pass-through]
13. Change of Redemption/Payment Basis: [Specify details of any provision for change of Term Advances into another Redemption/Payment Basis]
14. Details relating to Bullet Term Advance: [Applicable/Not Applicable]  
  
*[if not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Relevant Accumulation Amount: [●]
- (ii) Bullet Redemption Date: [●]
15. Details relating to Scheduled Amortisation Term Advance: [Applicable/Not Applicable]  
  
[if the Scheduled Amortisation Term Advance is applicable, specify the Scheduled Amortisation Dates and Scheduled Amortisation Instalments below]  
  
*[if not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Scheduled Amortisation Dates: The Interest Payment Dates occurring in [●]
- (ii) Relevant Accumulation Amounts: [●]
16. Details relating to Pass-through Term Advance: [Applicable/Not Applicable]  
  
[If the Pass-through Term Advance is applicable, specify the Interest Payment Date following which the Pass-Through Term Advances will be due]
17. Other terms and special conditions: [Not Applicable/give details]
- [Class [●] NIRM Margin** means the additional margin applicable to the Series [●] (Class [●]) [●] Term Advance equal to the NIRM Amount payable under the [●] Class [●] Master Issuer Swap Agreement (in circumstances where the sum of the

relevant base rate and the relevant spread is a negative rate) on the relevant Interest Payment Date.]

**[For a Term NR VFN Advance funded by a Class Z Variable Funding Note]**

**Term NR VFN Advance:** The Class Z Variable Funding Note [number] will fund the Term NR VFN Advance [number] which shall have the following terms:

1. Borrower: Holmes Funding Limited
2. Lender: Holmes Master Issuer plc
3. Tier of Advance: Term NR VFN Advance
4. Term NR VFN Advance Number: [●]
5. Redemption/Payment Basis: [Pass-Through]
6. Change of Redemption/Payment Basis: Not Applicable
7. Initial Principal Amount: £[●]
  - (a) Closing Date: [●]
  - (b) Term Advance Interest Commencement Date: [●]
  - (c) Term NR VFN Advance Interest Reset Dates: The Interest Payment Dates occurring quarterly commencing with the Interest Payment Date occurring in [●] provided no Trigger Event has occurred and thereafter each Interest Payment Date.
  - (d) Interest Payment Dates: The 15th of [January, April, July and October/February, May, August and November/March, June, September and December] in each year, or, following the occurrence of a Trigger Event, the 15th of each month in each year (or, in each case, if such day is not a Business Day, the next succeeding Business Day), up to and including the Final Maturity Date, commencing on 15 [●].
8. Initial Reference Rate: [●]
 

[where Compounded Daily SONIA means [●]]

[Observation Method: [Not Applicable/Lag/Shift] / [unless otherwise agreed with the Agent Bank] / being no less than [●] London Banking Days prior to each relevant Interest Payment Date / [where [●] means [●]]

[Observation Look-Back Period: [●] / Not Applicable] / [unless otherwise agreed with the Agent Bank] / being no less than [●] London

Banking Days prior to each relevant Interest Payment Date / [where [●] means [●]]

[Relevant Screen Page: [●]/[Not Applicable]]

[Overnight Rate: [Applicable/Not Applicable]]

[Index Determination: [Applicable/Not Applicable]]

[Designated Source: [Not Applicable][●]]

[[SONIA] Index: [●]/[Not Applicable]]

- |     |  |   |
|-----|--|---|
| 9.  | Initial Term Advance Margin per annum:                   | [●]%  |
| 10. | Step-Up Date (if any):                                   | Not Applicable  |
| 11. | Stepped-Up Term Advance Margin per annum:                | Not Applicable  |
| 12. | Details relating to Bullet Term Advances:                | Not Applicable  |
| 13. | Details relating to Scheduled Amortisation Term Advance: | Not Applicable  |
| 14. | Details relating to Pass-Through Term Advance:           | Applicable  |
|     |  | <p>The Term NR VFN Advance relating to the Class Z Variable Funding Notes shall be due and payable up to an amount of £[●] on and following the Term NR VFN Advance Payment Date occurring in [●] and due and payable in full on and following the Term NR VFN Advance Payment Date in [●] and on each applicable Term NR VFN Advance Payment Date thereafter</p> |
| 15. | Final Repayment Date:                                    | The Interest Payment Date occurring in [●]  |
| 16. | Term Advance Payment Dates:                              | [Each Interest Payment Date/[●]]  |
| 17. | Other terms and special conditions:                      | Not Applicable  |

**Confirmations:**

Funding confirms that:

- (a) no Master Intercompany Loan Event of Default has occurred and is continuing which has not been waived, or would result from the making of the Master Issuer Term Advance(s) described in this Term Advance Supplement; and
- (b) the representations and warranties set out in **Clause 13** of the Master Intercompany Loan Agreement are true on and as of the Closing Date specified in this Term Advance Supplement by reference to the facts and circumstances then existing.

The Master Issuer confirms that no Note Event of Default has occurred and is continuing which has not been waived, or would result from the making of the Master Issuer Term Advance(s) described in this Term Advance Supplement.



**EXECUTION PAGE  
for Term Advance Supplement**

**Funding**

EXECUTED for and on behalf of )  
**HOLMES FUNDING LIMITED** )  
by: )

\_\_\_\_\_

Name:

**Master Issuer**

EXECUTED for and on behalf of )  
**HOLMES MASTER ISSUER PLC** )  
by: )

\_\_\_\_\_

Name:

**Security Trustee**

EXECUTED for and on behalf of )  
**THE BANK OF NEW YORK MELLON, ACTING** )  
**THROUGH ITS LONDON BRANCH** )  
by )

Name:

**Agent Bank**

EXECUTED for and on behalf of )  
**THE BANK OF NEW YORK MELLON,** )  
**ACTING THROUGH ITS LONDON BRANCH** )  
by )

\_\_\_\_\_

Name:

## SCHEDULE 4

### FORM OF SOLVENCY CERTIFICATE

#### Holmes Funding Limited

**2 Triton Square  
Regent's Place  
London NW1 3AN  
(Registered No. 03982428)  
(the "Company")**

To: Holmes Master Issuer plc (the **Master Issuer**)  
2 Triton Square  
Regent's Place  
London  
NW1 3AN

Copy: The Bank of New York Mellon, acting through its London Branch  
(as the **Security Trustee**)

Terms defined in the Twentieth Amended and Restated Master Issuer Master Definitions and Construction Schedule, signed for the purposes of identification by Allen & Overy LLP and Ashurst LLP on [●] 2022, and the Eighteenth Amended and Restated Master Definitions and Construction Schedule, signed for the purposes of identification by Allen & Overy LLP and Ashurst LLP on [●] 2022, shall have the same respective meanings when used in this Certificate. In the event of a conflict between the Eighteenth Amended and Restated Master Definitions and Construction Schedule and the Twentieth Amended and Restated Master Issuer Master Definitions and Construction Schedule, the Eighteenth Amended and Restated Master Definitions and Construction Schedule shall prevail.

I, the undersigned, being a duly authorised officer of the Company, **HEREBY CERTIFY** that (i) having made all appropriate searches and investigations of the Company's books and records and the Company's accounts (both management and those required by law); and (ii) having duly considered the provisions of the insolvency laws of England and Wales and Scotland (including, without limitation, the provisions of sections 123, 238 to 243 and 423 of the Insolvency Act 1986 (the **Act**):

- (a) the Company is not unable to pay its debts within the meaning of section 123 of the Act and would not become unable to do so in consequence of entering into the Transaction Documents to which it is a party or making any drawing or granting any security under the Transaction Documents to which it is a party, and the Company's assets currently exceed its liabilities (taking into account its actual, contingent and prospective liabilities) and will continue to do so notwithstanding the entry into by it of the Transaction Documents and the making of any drawing or the granting of any security under the Transaction Documents to which it is a party;
- (b) no execution or other process issued on a judgment, decree or order of any court in favour of a creditor of the Company remains unsatisfied in whole or in part;
- (c) to the best of my knowledge and belief no corporate action has been taken or is pending, no other steps have been taken and no legal proceedings have been commenced or are threatened or are pending for (i) the suspension of payments, a moratorium in respect of any indebtedness, the winding-up, liquidation, dissolution, administration or reorganisation (by way of voluntary

arrangement, scheme of arrangement, Part 26A restructuring plan or otherwise) of the Company; or  
(ii) the Company to enter into any arrangement or compromise with its creditors generally; or  
(iii) the appointment of a liquidator, receiver, administrative receiver, compulsory manager, trustee, monitor or similar officer in respect of the Company or any of its property, undertaking or assets (and no event equivalent to any of the foregoing has occurred in or under the laws of any relevant jurisdiction);

- (d) (i) no steps have been taken by the Company with a view of obtaining a moratorium in respect of any indebtedness of the Company or for the purpose of proposing a company voluntary arrangement; and (ii) no event equivalent to any of the foregoing has occurred in or under the laws of any relevant jurisdiction;
- (e) neither the entry into of the Transaction Documents to which it is a party nor the making of any drawing nor granting of security under the Transaction Documents to which it is a party would be a transaction at an undervalue within the meaning of section 238 of the Act, since the value of any consideration received by the Company as a result of such drawing and/or grant of security would not be significantly less than the value of any consideration provided by the Company under the Transaction Documents to which it is a party;
- (f) the entry into of the Transaction Documents to which it is a party, any drawing made by the Company under or pursuant to the Transaction Documents to which it is a party, and any security granted by the Company under or pursuant to the Transaction Documents to which it is a party will be entered into or made, as the case may be, by the Company, in good faith and for the purpose of carrying on its business, and there are reasonable grounds for believing that the entry into of such Transaction Documents, such drawings and grants of security would benefit the Company;
- (g) in entering into the Transaction Documents to which it is a party, making a drawing under or pursuant to the Transaction Documents to which it is a party and/or granting security under or pursuant to the Transaction Documents to which it is a party the Company has no desire to give a preference to any person as contemplated by section 239 of the Act, nor is it the purpose of the Company to put assets beyond the reach of a person who is making, or may make at some time, a claim against the Company or of otherwise prejudicing the interests of such a person in relation to the claim which such a person is making or may make;
- (h) in entering into the Transaction Documents to which it is a party, making a drawing under or pursuant to the Transaction Documents to which it is a party and/or granting security under or pursuant to the Transaction Documents to which it is a party, the Company has not and will not breach any provision or exceed any powers contained in its Memorandum and Articles of Association; and
- (i) insofar as the transactions contemplated by the Transaction Documents relate to assets located in Scotland or otherwise subject to Scots law, then in addition to the foregoing:
  - (a) the Company's assets are currently greater than its liabilities for the purposes of section 242 of the Act (and for all other purposes) and will continue to be so after completion of the said transactions; and
  - (b) the entry into of the Transaction Documents to which it is a party, any drawing made by the Company under or pursuant to the Transaction Documents to which it is a party and any security granted by the Company under or pursuant to the Transaction Documents to which it is a party will constitute reciprocal obligations of the Company with the other parties thereto for the purposes of section 243 of the Act (and for all other purposes) and are not collusive with the purpose of prejudicing the general body of creditors of the Company.

DATED [●]

Signed for and on behalf of HOLMES FUNDING LIMITED

.....  
Director

**EXECUTION PAGE**

**Funding**

EXECUTED for and on behalf of )  
**HOLMES FUNDING LIMITED** )  
acting by one director )



Director

in the presence of

Witness name: [Redacted]

Signature: [Redacted]

Address: [Redacted]

**Master Issuer**

EXECUTED for and on behalf of )  
**HOLMES MASTER ISSUER PLC** )  
acting by one director )



Director

in the presence of

Witness name: [Redacted]

Signature: [Redacted]

Address: [Redacted]

**Security Trustee**

SIGNED for and on behalf of )  
**THE BANK OF NEW YORK MELLON, ACTING** )  
**THROUGH ITS LONDON BRANCH** )  
by )



Name: 

**Agent Bank**

SIGNED for and on behalf of )  
**THE BANK OF NEW YORK MELLON, ACTING** )  
**THROUGH ITS LONDON BRANCH** )  
by )



Name: 