HOLMES MASTER ISSUER PLC

STS CRITERIA REVIEW

13 May 2024

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Santander UK, in its capacity as originator for the purposes of the Securitisation Regulation (as defined below) with respect to the Holmes Master Issuer plc's securitisation, may procure an STS notification to be submitted to the Financial Conduct Authority (the **FCA**) in accordance with Article 27 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) as amended, varied, superseded or substituted from time to time) together with any implementing regulation, technical standards, instruments, rules, policy statements and official guidance or other implementing measures of the FCA, the Bank of England, the Pensions Regulator or other relevant UK regulator (or their successor) related thereto, in each case as amended, varied, superseded or substituted from time to time (the **Securitisation Regulation**), that the requirements of Articles 19 to 22 of the Securitisation Regulation have been satisfied with respect to the issuance of a series of notes. No assurance is given that the originator will seek an STS designation with respect to any series of notes issued under the Holmes securitisation and the relevant final terms. The originator may decide at its discretion whether an STS notification will be submitted in respect of an issuance of a series of notes at the time of such issuance. Accordingly, notes may, and are capable of, being issued under the Holmes securitisation without any such notes being compliant with the STS requirements or any notification being submitted to the FCA by or on behalf of the originator that the STS requirements are satisfied. In the event that the originator makes an STS notification with respect to a series of notes, no assurance can be given that such series of notes meeting the STS requirements applicable at the time of such STS notification will remain compliant because the STS requirements may change over time. In addition, (i) no assurance can be given on how competent authorities will interpret and apply the STS requirements, (ii) any international or national regulatory guidance may be subject to change following the initial STS notification, and (iii) related regulations are subject to change and, therefore, what is or will be required to demonstrate compliance with the STS requirements to national regulators remains unclear (please see the risk factor entitled "Simple, Transparent and Standardised (STS) Securitisations" in the Base Prospectus dated 13 May 2024, as updated and supplemented from time to time).

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STS regulation requirement text[1] (*to be satisfied at the time of issuance)	**EBA final non-ABCP STS guidelines - *statements on background and rationale*[2]**	**EBA final non-ABCP STS Guidelines[3]**	**Commentary[4]**
Article 20 – requirements relating to simplicity			
True sale, assignment or transfer to the SSPE *20.1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.	*16. The criterion specified in Article 20(1) aims to ensure that the underlying exposures are beyond the reach of, and are effectively ring-fenced and segregated from, the seller, its creditors and its liquidators, including in the event of the seller's insolvency, enabling an effective recourse to the ultimate claims for the underlying exposures.*	10. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including third parties verifying simple, transparent and standardised (STS) compliance in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided: (a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale; (b) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or	*True Sale.* Title to the loans are acquired from the seller by the mortgages trustee by means of an equitable assignment with the same legal effect as a true sale and in a manner that is enforceable against the seller or any other third party. Pursuant to clause 2.1 (with respect to the initial portfolio of loans) and clause 4.1 (with respect to any new portfolio of loans) of the mortgage sale agreement, subject to certain conditions, the seller sells and assigns from time to time loans to the mortgages trustee by means of an equitable assignment. The sale of English loans is in equity only; and the transfer of the Scottish loans is of the beneficial interest only (until transfer of legal title). As a matter of English and Scottish law, such equitable assignment has the same legal effect as a true sale (see opinion 4.1 of the Allen Overy Shearman Sterling English law opinion and opinion 5.1 of the Shepherd and Wedderburn Scots law opinion). Once sold, the loans form part of the trust property held on trust by the mortgages trustee pursuant to

[1] The table contains a summary of the articles of Regulation (EU) 2017/2402 (the **"EU Securitisation Regulation"**) as amended by The Securitisation (Amendment) (EU Exit) Regulations 2019 and as it forms part of UK domestic law by virtue of EUWA and does not purport to be complete or an indication of what articles may or may not be relevant to an assessment of any proposed transaction. The full text of the articles is available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R2402, https://www.legislation.gov.uk/ukdsi/2019/9780111179024/contents and https://www.legislation.gov.uk/ukpga/2018/16/contents/enacted (the "**STS Regulation**")

[2] The table contains a summary of the guidelines to the EU Securitisation Regulation and does not purport to be complete or an indication of what guidelines may or may not be relevant to an assessment of any proposed transaction. The full text of the guidelines is available at https://eba.europa.eu/documents/10180/2519490/Guidelines+on+STS+criteria+for+non-ABCP+securitisation.pdf (the "**EBA Guidelines**")

[3] The table contains a summary of the guidelines to the EU Securitisation Regulation and does not purport to be complete or an indication of what guidelines may or may not be relevant to an assessment of any proposed transaction. The full text of the guidelines is available at https://eba.europa.eu/documents/10180/2519490/Guidelines+on+STS+criteria+for+non-ABCP+securitisation.pdf

[4] The table contains commentary based on Santander UK's interpretation of the STS Regulation informed by, among other things, the text of the STS Regulation itself and the EBA Guidelines and recommendations issued in accordance with Article 19(2) of the STS Regulation.

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		any other third party, under the applicable national legal framework; (c) assessment of clawback risks and re-characterisation risks. 11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same. 12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.	clause 2 of the mortgages trust deed. Perfection of the assignment of title occurs on the occurrence of certain specified events set out in clause 6.1 of the mortgage sale agreement. *Enforceability.* Under applicable law (as reflected in opinion 4.1 of the Allen Overy Shearman Sterling English law opinion and opinion 5.1 of the Shepherd and Wedderburn Scots law opinion), the acquisition of title by the mortgages trustee is enforceable against the seller or other third party. Schedule 1 of the mortgage sale agreement also includes representations on enforceability, including: paragraphs 1.13, 2.6, 6.4, and 7.4. *Legal opinions.* Opinion 4.1 of the Allen Overy Shearman Sterling English law opinion and opinion 5.1 of the Shepherd and Wedderburn Scots law opinion confirm the true sale acquisition and enforceability. The Allen Overy Shearman Sterling English law opinion and Shepherd and Wedderburn Scots law opinion confirm that the relevant opinion is accessible and made available to any relevant third party verifying STS compliance and any relevant competent authority. See the section of the form of final terms entitled “UK Securitisation Regulation and EU Securitisation Regulation—UK STS requirements” (page 291). *Disclosure.* The base prospectus includes disclosure on the sale mechanics (see the base prospectus section “Assignment of the loans and their related security—Assignment of loans and their related security to the mortgages trustee” (pages 155-158)), perfection triggers (see the base prospectus section “Assignment of the loans and their related security—Legal assignment of the loans to the mortgages trustee” (pages 158-159)) and relevant representations and warranties (see the base prospectus section “Assignment of the loans and their related security—Representations and warranties” (pages 159-166)) in the mortgage sale agreement.
Severe clawback provisions	*17. The criterion in Article 20(2) is designed to ensure the enforceability of the transfer of legal title in the event of the seller’s insolvency. More*		Under applicable insolvency laws in the United Kingdom (the originator’s jurisdiction), assignment of the loans by the seller to the mortgages trustee

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*20.2. For the purpose of paragraph 1, any of the following shall constitute severe clawback provisions: (a) provisions which allow the liquidator of the seller to invalidate the sale of the underlying exposures solely on the basis that it was concluded within a certain period before the declaration of the seller's insolvency; (b) provisions where the SSPE can only prevent the invalidation referred to in point (a) if it can prove that it was not aware of the insolvency of the seller at the time of sale.	*specifically, if the underlying exposures sold to the SSPE could be reclaimed for the sole reason that their transfer was effected within a certain period before the seller's insolvency, or if the SSPE could prevent the reclaim only by proving that it was unaware of the seller's insolvency at the time of transfer, such clauses would expose investors to a high risk that the underlying exposures would not effectively back their contractual claims. For this reason, Article 20(2) specifies that such clauses constitute severe clawback provisions, which may not be contained in STS securitisation.*		is not subject to severe clawback provisions in the event of the seller's insolvency as UK insolvency laws do not include "severe clawback provisions". The Allen Overy Shearman Sterling English law opinion (section 4.1), and Shepherd and Wedderburn Scots (section 5.1) analyse the applicable clawback provisions, none of which constitute "severe clawback provisions".
Severe clawback provisions *20.3. For the purpose of paragraph 1, clawback provisions in national insolvency laws that allow the liquidator or a court to invalidate the sale of underlying exposures in the case of fraudulent transfers, unfair prejudice to creditors or transfers intended to improperly favour particular creditors over others shall not constitute severe clawback provisions.	*18. Whereas, pursuant to Article 20(2), contractual terms and conditions attached to the transfer of title that expose investors to a high risk that the securitised assets will be reclaimed in the event of the seller's insolvency should not be permissible in STS securitisations, such prohibition should not include the statutory provisions granting the right to a liquidator or a court to invalidate the transfer of title with the aim of preventing or combating fraud, as referred to in Article 20(3).*		See above.
True sale, assignment or transfer to the seller *20.4. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to that seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.	*19. Article 20(4) specifies that, where the transfer of title occurs not directly between the seller and the SSPE but through one or more intermediary steps involving further parties, the requirements relating to the true sale, assignment or other transfer with the same legal effect, apply at each step.*		N/A as each loan was originated by Santander UK plc (previously known as Abbey National plc) (see para 1.2 of schedule 1 of the mortgage sale agreement). The base prospectus also identifies the originator (see the section of the base prospectus entitled "Santander UK plc and the Santander UK Group" (pages 117-118)). Title to any loans originated by Abbey National plc were assigned to Santander UK plc as part of the acquisition without any intermediate steps. All loans are transferred pursuant to the mortgage sale agreement without any intermediate steps and on the same terms and conditions. See above re the sale mechanics and legal opinions.
Perfection events *20.5. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage	*20. The objective of the criterion in Article 20(5) is to minimise legal risks related to unperfected transfers in the context of an assignment of the underlying exposures, by specifying a minimum set of events subsequent to closing that should*	**Severe deterioration in the seller credit quality standing** 13. For the purposes of Article 20(5) of Regulation (EU) 2017/2402, the transaction	Pursuant to the mortgage sale agreement, the seller sells loans to the mortgages trustee by means of an equitable assignment (clauses 2.1 and 4.1), and perfection of the assignment of title occurs on the occurrence of certain specified events set out in the

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than at the closing of the transaction, the triggers to effect such perfection shall include at least the following events: (a) severe deterioration in the seller credit quality standing; (b) insolvency of the seller; and (c) unremedied breaches of contractual obligations by the seller, including the seller's default.	*trigger the perfection of the transfer of the underlying exposures.*	documentation should identify, with regard to the trigger of 'severe deterioration in the seller credit quality standing', credit quality thresholds that are objectively observable and related to the financial health of the seller. **Insolvency of the seller** 14. For the purposes of Article 20(5) of Regulation (EU) 2017/2402, the trigger of 'insolvency of the seller' should refer, at least, to events of legal insolvency as defined in national legal frameworks.	mortgage sale agreement (clause 6) and summarised in the base prospectus (see the base prospectus section "Assignment of the loans and their related security—Legal assignment of the loans to the mortgages trustee" (pages 158-159)), which include: clauses 6.1(g), (the date on which the seller ceases to be rated BBB-/ Baa3/BBB-); 6.1(h) (an insolvency event in relation to the seller); and 6.1(i) (the seller is in material breach of its obligations under the mortgage sale agreement, subject to certain conditions) of the mortgage sale agreement.
Representations and warranties 20.6. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.	*21. The objective of the criterion in Article 20(6), which requires the seller to provide the representations and warranties confirming to the seller's best knowledge that the transferred exposures are neither encumbered nor otherwise in a condition that could potentially adversely affect the enforceability of the transfer of title, is to ensure that the underlying exposures are not only beyond the reach not only of the seller but equally of its creditors, and to allocate the commercial risk of the encumbrance of the underlying exposures to the seller.*		All loans are transferred pursuant to the mortgage sale agreement on the same terms and conditions (clauses 2.1 and 4.1). The base prospectus identifies the originator (see the sections of the base prospectus entitled "Santander UK plc and the Santander UK Group" (pages 117-118)), and includes disclosure on the relevant representations and warranties noted below (see the base prospectus section "Assignment of the loans and their related security—Representations and warranties" (pages 159-166)). The mortgage sale agreement includes representations and warranties with respect to origination and title (see paragraphs 1.2 and 6.1 of schedule 1 of the mortgage sale agreement).
Eligibility criteria for the underlying exposures, active portfolio management *20.7 The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet predetermined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the	*23. The objective of this criterion in Article 20(7) is to ensure that the selection and transfer of the underlying exposures in the securitisation is done in a manner which facilitates in a clear and consistent fashion the identification of which exposures are selected for/transferred into the securitisation, and to enable the investors to assess the credit risk of the asset pool prior to their investment decisions.* *24. Consistently with this objective, the active portfolio management of the exposures in the securitisation should be prohibited, given that it adds a layer of complexity and increases the agency risk arising in the securitisation by making*	15. For the purposes of Article 20(7) of Regulation (EU) 2017/2402, active portfolio management should be understood as portfolio management to which either of the following applies: (a) the portfolio management makes the performance of the securitisation dependent both on the performance of the underlying exposures and on the performance of the portfolio management of the securitisation, thereby preventing the investor from modelling the credit risk of the underlying exposures without considering the portfolio management strategy of the portfolio manager;	*Eligibility criteria.* Each loan sold to the mortgages trustee must comply with eligibility criteria set out in the mortgage sale agreement (see schedule 4 of the mortgage sale agreement). The base prospectus also sets out the eligibility criteria (see the base prospectus section "Assignment of the loans and their related security—Assignment of loans and their related security to the mortgages trustee" (pages 155-158)). The representations set out in the mortgage sale agreement include that each loan must have originated in accordance with the then applicable eligibility criteria (see para 1.6 of schedule 1 of the mortgage sale agreement).

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eligibility criteria applied to the initial underlying exposures.	*the securitisation's performance dependent on both the performance of the underlying exposures and the performance of the management of the transaction. The payments of STS securitisations should depend exclusively on the performance of the underlying exposures.* *25. Revolving periods and other structural mechanisms resulting in the inclusion of exposures in the securitisation after the closing of the transaction may introduce the risk that exposures of lesser quality can be transferred into the pool. For this reason, it should be ensured that any exposure transferred into the securitisation after the closing meets the eligibility criteria, which are no less strict than those used to structure the initial pool of the securitisation.* *26. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:* *(a) the purpose of the requirement on the portfolio management, and the provision of examples of techniques which should not be regarded as active portfolio management: this criterion should be considered without prejudice to the existing requirements with respect to the similarity of the underwriting standards in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, which requires that all the underlying exposures in a securitisation be underwritten according to similar underwriting standards;* *(b) interpretation of the term 'clear' eligibility criteria;* *(c) clarification with respect to the eligibility criteria that need to be met with respect to the exposures transferred to the SSPE after the closing.*	(b) the portfolio management is performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit. 16. The techniques of portfolio management that should not be considered active portfolio management include: (a) substitution or repurchase of underlying exposures due to the breach of representations or warranties; (b) substitution or repurchase of the underlying exposures that are subject to regulatory dispute or investigation to facilitate the resolution of the dispute or the end of the investigation; (c) replenishment of underlying exposures by adding underlying exposures as substitutes for amortised or defaulted exposures during the revolving period; (d) acquisition of new underlying exposures during the 'ramp up' period to line up the value of the underlying exposures with the value of the securitisation obligations; (e) repurchase of underlying exposures in the context of the exercise of clean-up call options, in accordance with Article 244(3)(g) of Regulation (EU) 2017/2401; (f) repurchase of defaulted exposures to facilitate the recovery and liquidation process with respect to those exposures; (g) repurchase of underlying exposures under the repurchase obligation in accordance with Article 20(13) of Regulation (EU) 2017/2402. **Clear eligibility criteria** 17. For the purposes of Article 20(7) of Regulation (EU) 2017/2402, the criteria should be understood to be 'clear' where compliance with them is possible to be determined by a court or tribunal, as a matter of law or fact or both.	*Portfolio management.* The mortgage sale agreement includes repurchase mechanics exercisable at the seller's discretion where the proceeds of such repurchases could be used to purchase other loans (see clause 8 of the mortgage sale agreement). The base prospectus also summarises the repurchase mechanics and triggers (see the sections of the base prospectus entitled "Assignment of the loans and their related security — Mandatory repurchase of loans under a mortgage account" (pages 166-167), and "Assignment of the loans and their related security—Optional repurchase of loans under a mortgage account" (pages 167-168)). Such discretionary purchases by the seller where proceeds could be reinvested in other loans should not constitute "active portfolio management" because such repurchases fall outside the activities enumerated under items a and b under paragraph 15 of the EBA guidelines. The base prospectus includes an affirmative statement that the sale/repurchase rights of the seller do not constitute active portfolio management (see the base prospectus section "Assignment of the loans and their related security—No active portfolio management" (page 168)).

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		Eligibility criteria to be met for exposures transferred to the SSPE after the closing of the transaction 18. For the purposes of Article 20(7) of Regulation (EU) 2017/2402, 'meeting the eligibility criteria applied to the initial underlying exposures' should be understood to mean eligibility criteria that comply with either of the following: (a) with regard to normal securitisations, they are no less strict than the eligibility criteria applied to the initial underlying exposures at the closing of the transaction; (b) with regard to securitisations that issue multiple series of securities including master trusts, they are no less strict than the eligibility criteria applied to the initial underlying exposures at the most recent issuance, with the results that the eligibility criteria may vary from closing to closing, with the agreement of securitisation parties and in accordance with the transaction documentation. 19. Eligibility criteria to be applied to the underlying exposures in accordance with paragraph 18 should be specified in the transaction documentation and should refer to eligibility criteria applied at exposure level.	
Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities *20.8. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics. A pool of underlying exposures shall comprise only one asset type. The underlying exposures shall contain obligations that are contractually binding and	*27. The criterion on the homogeneity as specified in the first subparagraph of Article 20(8) has been further clarified in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402.* *28. The objective of the criterion specified in the third sentence in the first subparagraph and in the second subparagraph of Article 20(8) is to ensure that the underlying exposures contain valid and binding obligations of the debtor/guarantor, including rights to payments or to any other income from assets supporting such payments*	**Contractually binding and enforceable obligations** 20. For the purposes of Article 20(8) of Regulation (EU) 2017/2402, 'obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors' should be understood to refer to all obligations contained in the contractual specification of the underlying exposures that are relevant to investors because they affect any obligations by the debtor and, where applicable, the guarantor to make payments or provide security.	*Homogeneity*. The base prospectus describes the loans/portfolio (see the base prospectus section "The loans" (pages 128-144)), eligibility criteria (see the base prospectus section "Assignment of the loans and their related security—Assignment of loans and their related security to the mortgages trustee" (pages 155-158)) and payment terms (see the base prospectus section "The loans-Characteristics of the loans" (pages 128-135)). In addition, see the base prospectus section "The loans—Other characteristics" (page 144). *One asset type.* The portfolio is comprised of residential mortgage loans (see para 1.7(a) of schedule 1 of the mortgage sale agreement)

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enforceable, with full recourse to debtors and, where applicable, guarantors. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts, relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets. The underlying exposures shall not include transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU, other than corporate bonds that are not listed on a trading venue.	*that result in a periodic and well-defined stream of payments to the investors.* *29. The objective of the criterion specified in the third subparagraph is that the underlying exposures do not include transferable securities, as they may add to the complexity of the transaction and of the risk and due diligence analysis to be carried out by the investor.* *30. To facilitate consistent interpretation of this criterion, a clarification should be provided with respect to:* *(a) interpretation of the term 'contractually binding and enforceable obligations';* *(b) a non-exhaustive list of examples of exposures types that should be considered to have defined periodic payment streams.* *The individual examples are without prejudice to applicable requirements, such as the requirement with respect to the defaulted exposures in accordance with Article 20(11)* *of Regulation (EU) 2017/2402 and the requirement with respect to the residual value in accordance with Article 20(13) of that regulation.*	**Exposures with periodic payment streams** 21. For the purposes of Article 20(8) of Regulation (EU) 2017/2402, exposures with defined periodic payment streams should include: (a) exposures payable in a single instalment in the case of revolving securitisation, as referred to in Article 20(12) of Regulation (EU) 2017/2402; (b) exposures related to credit card facilities; (c) exposures with instalments consisting of interest and where the principal is repaid at the maturity, including interest-only mortgages; (d) exposures with instalments consisting of interest and repayment of a portion of the principal, where either of the following conditions is met: (i) the remaining principal is repaid at the maturity; (ii) the repayment of the principal is dependent on the sale of assets securing the exposure, in accordance with Article 20(13) of Regulation (EU) 2017/2402 and paragraphs 47 to 49; (e) exposures with temporary payment holidays as contractually agreed between the debtor and the lender.	originated and/or acquired by Santander UK plc and the Santander UK Group (see para 1.2 of schedule 1 of the mortgage sale agreement) and secured over residential properties located in England, Wales, or Scotland (see para 3.1 of schedule 1 of the mortgage sale agreement). *Contractually binding.* The loans are contractually binding and enforceable, with full recourse to borrowers. The representations set out in the mortgage sale agreement include that each loan is entered into on standard documentation (para 1.7(a) of schedule 1 of the mortgage sale agreement), the balance of each loan is legal, valid, binding and enforceable (para 1.13 of schedule 1 of the mortgage sale agreement) and the terms of each loan constitute valid and binding obligations of the borrower enforceable in accordance with their terms (see para 2.6 of schedule 1 of the mortgage sale agreement). *Periodic payment streams.* The loans in the portfolio are comprised of repayment loans (where the borrower makes monthly payments of interest and principal until maturity) and interest only loans (where the borrower makes monthly payments of interest, and on maturity pays principal), and therefore have defined periodic payment streams (see the section of the base prospectus entitled "The loans—Characteristics of the loans" (pages 128-135)). *Transferable securities.* The portfolio is comprised of residential mortgage loans based on standard form documentation, and therefore does not include any transferable securities (see para 1.7(a) of schedule 1 of the mortgage sale agreement). In addition, see the base prospectus section "The loans—Other characteristics" (page 144).
No resecuritisation *20.9. The underlying exposures shall not include any securitisation position.	*31. The objective of this criterion is to prohibit resecuritisation subject to derogations for certain cases or for resecuritisation as specified in Regulation (EU) 2017/2402. This is a lesson learnt from the financial crisis, when resecuritisations were structured into highly leveraged structures in which notes of lower*		The portfolio is comprised of residential mortgage loans based on standard form documentation, and therefore does not include any securitisation position (see para 1.7(a) of schedule 1 of the mortgage sale agreement). The base prospectus also describes the portfolio (see the base prospectus section "The loans" (pages 128-144)).

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	credit quality could be re-packaged and credit enhanced, resulting in transactions whereby small changes in the credit performance of the underlying assets had severe impacts on the credit quality of the resecuritisation bonds. The modelling of the credit risk arising in these bonds proved very difficult, also due to high levels of correlations arising in the resulting structures. *32. The criterion is deemed sufficiently clear and does not require any further clarification.*		In addition, see the base prospectus section "The loans—Other characteristics" (page 144).
Underwriting standards 20.10. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided might not be verified by the lender. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	*33. The objective of the criterion specified in the first subparagraph of Article 20(10) is to prevent cherry picking and to ensure that the exposures that are to be securitised do not belong to exposure types that are outside the ordinary business of the originator, i.e. types of exposures in which the originator or original lender may have less expertise and/or interest at stake. This criterion is focused on disclosure of changes to the underwriting standards and aims to help the investors assess the underwriting standards pursuant to which the exposures transferred into securitisation have been originated.* *34. The objective of the criterion specified in the second subparagraph of Article 20(10) is to prohibit the securitisation of self-certified mortgages for STS purposes, given the moral hazard that is inherent in granting such types of loans.* *35. The objective of the criterion specified in the third subparagraph of Article 20(10) is to ensure that the assessment of the borrower's creditworthiness is based on robust processes. It is expected that the application of this article will be limited in practice, given that the STS is limited to originators based in the EU, and the criterion is understood to cover only exposures originated by the EU originators to borrowers in non-EU countries.* *36. The objective of the criterion specified in the fourth subparagraph of Article 20(10) is for the originator or original lender to have an established*	**Similar exposures** 22. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, exposures should be considered to be similar when one of the following conditions is met: (a) the exposures belong to one of the following asset categories referred to in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402: (i) residential loans secured with one or several mortgages on residential immovable property, or residential loans fully guaranteed by an eligible protection provider among those referred to in Article 201(1) of Regulation (EU) No 575/2013 qualifying for credit quality step 2 or above as set out in Part Three, Title II, Chapter 2 of that regulation; (ii) commercial loans secured with one or several mortgages on commercial immovable property or other commercial premises; (iii) credit facilities provided to individuals for personal, family or household consumption purposes; (iv) auto loans and leases; (v) credit card receivables; (vi) trade receivables;	*Ordinary course.* The base prospectus includes a statement that each loan is originated by in the ordinary course (see the section of the base prospectus entitled "The loans" (pages 128-144)), and that the lending criteria was satisfied in all material respects (see para 1.6 of schedule 1 of the mortgage sale agreement). The methodology for selecting new loans in the portfolio is essentially random and therefore subject to underwriting standards that are no less stringent than those applied to similar exposures. *Disclosure of criteria.* The base prospectus includes a summary of the current lending criteria (see the base prospectus section "The loans—Lending criteria" (pages 140-143)) and eligibility criteria (see the section of the base prospectus entitled "Assignment of the loans and their related security—Assignment of loans and their related security to the mortgages trustee" (pages 155-158)). The base prospectus includes confirmation that any material changes from the seller's prior underwriting policies and lending criteria shall be disclosed without undue delay (see the base prospectus section "The loans— Changes to the underwriting policies and the lending criteria" (page 143)). *Residential loans.* See the base prospectus section "The loans—Other characteristics" (page 144), which confirms that no loans included in the pool were marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the

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	performance history of credit claims or receivables similar to those being securitised, and for an appropriately long period of time. *37. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:* *(a) the term 'similar exposures', with reference to requirements specified in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402;* *(b) the term 'no less stringent underwriting standards': independently of the guidance provided in these guidelines, it is understood that, in the spirit of restricting the 'originate- to-distribute' model of underwriting, where similar exposures exist on the originator's balance sheet, the underwriting standards that have been applied to the securitised exposures should also have been applied to similar exposures that have not been securitised, i.e. the underwriting standards should have been applied not solely to securitised exposures;* *(c) clarification of the requirement to disclose material changes from prior underwriting standards to potential investors without undue delay: the guidance clarifies that this requirement should be forward-looking only, referring to material changes to the underwriting standards after the closing of the securitisation. The guidance clarifies the interactions with the requirement for similarity of the underwriting standards set out in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, which requires that all the underlying exposures in securitisation be underwritten according to similar underwriting standards;* *(d) the scope of the criterion with respect to the specific types of residential loans as referred to in*	(b) the exposures fall under the asset category of credit facilities provided to micro-, small-, medium- sized and other types of enterprises and corporates including loans and leases, as referred to in Article 2(d) of the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, as underlying exposures of a certain type of obligor; (c) where they do not belong to any of the asset categories referred to in points (a) and (b) of this paragraph and as referred to in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous for the purposes of Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, the underlying exposures share similar characteristics with respect to the type of obligor, ranking of security rights, type of immovable property and/or jurisdiction. **No less stringent underwriting standards** 23. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, the underwriting standards applied to securitised exposures should be compared to the underwriting standards applied to similar exposures at the time of origination of the securitised exposures. 24. Compliance with this requirement should not require either the originator or the original lender to hold similar exposures on its balance sheet at the time of the selection of the securitised exposures or at the exact time of their securitisation, nor should it require that similar exposures were actually originated at the time of origination of the securitised exposures. **Disclosure of material changes from prior underwriting standards** 25. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, material changes to the underwriting standards that are required to be fully disclosed should be understood to be	information provided by the loan applicant might not be verified by the seller. *Creditworthiness.* The mortgage sale agreement sets out the eligibility criteria (schedule 1) and current lending criteria (schedule 4), which includes requirements for income verification. The base prospectus also includes disclosure regarding compliance with MCD. See the base prospectus section "Risk factors—General impact of regulatory changes on Santander UK in its various roles under the programme" (pages 38-39) and "The loans—Lending criteria" (pages 138-139). *Expertise.* Santander UK has operated for more than the five year period to satisfy this requirement. See the section of the base prospectus entitled "Santander UK plc and the Santander UK Group" (pages 117-118).

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	the second subparagraph of Article 20(10) and to the nature of the information that should be captured by this criterion; *(e) clarification of the criterion with respect to the assessment of a borrower's creditworthiness based on equivalent requirements in third countries;* *(f) identification of criteria on which the expertise of the originator or the original lender should be determined:* *(i) when assessing if the originator or the original lender has the required expertise, some general principles should be set out against which the expertise should be assessed. The general principles have been designed to allow a robust qualitative assessment of the expertise. One of these principles is the regulatory authorisation: this is to allow for more flexibility in such qualitative assessments of the expertise if the originator or the original lender is a prudentially regulated institution which holds regulatory authorisations or permissions that are relevant with respect to origination of similar exposures. The regulatory authorisation in itself should, however, not be a guarantee that the originator or original lender has the required expertise;* *(ii) irrespective of such general principles, specific criteria should be developed, based on specifying a minimum period for an entity to perform the business of originating similar exposures, compliance with which would enable the entity to be considered to have a sufficient expertise. Such expertise should be assessed at the group level, so that possible restructuring at the entity level would not automatically lead to non-compliance with the expertise criterion. It is not the intention of such specific criteria to form an impediment to the entry of new participants to the market. Such entities should also be eligible for compliance with the expertise criterion, as long as their management body and senior staff with managerial responsibility for origination of similar*	those material changes to the underwriting standards that are applied to the exposures that are transferred to, or assigned by, the SSPE after the closing of the securitisation in the context of portfolio management as referred to in paragraphs 15 and 16. 26. Changes to such underwriting standards should be deemed material where they refer to either of the following types of changes to the underwriting standards: (a) changes which affect the requirement of the similarity of the underwriting standards further specified in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402; (b) changes which materially affect the overall credit risk or expected average performance of the portfolio of underlying exposures without resulting in substantially different approaches to the assessment of the credit risk associated with the underlying exposures. 27. The disclosure of all changes to underwriting standards should include an explanation of the purpose of such changes. 28. With regard to trade receivables that are not originated in the form of a loan, reference to underwriting standards in Article 20(10) should be understood to refer to credit standards applied by the seller to short-term credit generally of the type giving rise to the securitised exposures and proposed to its customers in relation to the sales of its products and services. **Residential loans** 29. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, the pool of underlying exposures should not include residential loans that were both marketed and underwritten on the premise that the loan applicant or intermediaries were made aware	

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	exposures, have sufficient experience over a minimum specified period. *38. It is expected that information on the assessment of the expertise is provided in sufficient detail in the STS notification.*	that the information provided might not be verified by the lender. 30. Residential loans that were underwritten but were not marketed on the premise that the loan applicant or intermediaries were made aware that the information provided might not be verified by the lender, or become aware after the loan was underwritten, are not captured by this requirement. 31. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, the 'information' provided should be considered to be only relevant information. The relevance of the information should be based on whether the information is a relevant underwriting metric, such as information considered relevant for assessing the creditworthiness of a borrower, for assessing access to collateral and for reducing the risk of fraud. 32. Relevant information for general non-income-generating residential mortgages should normally be considered to constitute income, and relevant information for income-generating residential mortgages should normally be considered to constitute rental income. Information that is not useful as an underwriting metric, such as mobile phone numbers, should not be considered relevant information. **Equivalent requirements in third countries** 33. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, the assessment of the creditworthiness of borrowers in third countries should be carried out based on the following principles, where appropriate, as specified in Directives 2008/48/EC and 2014/17/EC: (a) before the conclusion of a credit agreement, on the basis of sufficient information, the lender assesses the borrower's creditworthiness on the basis of sufficient information, where appropriate obtained from the borrower and, where	

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		necessary, on the basis of a consultation of the relevant database; (b) if the parties agree to change the total amount of credit after the conclusion of the credit agreement, the lender should update the financial information at its disposal concerning the borrower and should assess the borrower's creditworthiness before any significant increase in the total amount of credit; (c) the lender should make a thorough assessment of the borrower's creditworthiness before concluding a credit agreement, taking appropriate account of factors relevant to verifying the prospect of the borrower's meeting his or her obligations under the credit agreement; (d) the procedures and information on which the assessment is based should be documented and maintained; (e) the assessment of creditworthiness should not rely predominantly on the value of the residential immovable property exceeding the amount of the credit or the assumption that the residential immovable property will increase in value unless the purpose of the credit agreement is to construct or renovate the residential immovable property; (f) the lender should not be able to cancel or alter the credit agreement once concluded to the detriment of the borrower on the grounds that the assessment of creditworthiness was incorrectly conducted; (g) the lender should make the credit available to the borrower only where the result of the creditworthiness assessment indicates that the obligations resulting from the credit agreement are likely to be met in the manner required under that agreement; (h) the borrower's creditworthiness should be re-assessed on the basis of updated information before any significant increase in the total amount of credit is granted after the conclusion of the credit agreement unless such additional credit	

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		was envisaged and included in the original creditworthiness assessment. **Criteria for determining the expertise of the originator or original lender** 34. For the purposes of determining whether an originator or original lender has expertise in originating exposures of a similar nature to those securitised in accordance with Article 20(10) of Regulation (EU) 2017/2402, both of the following should apply: (a) the members of the management body of the originator or original lender and the senior staff, other than the members of the management body, responsible for managing the originating of exposures of a similar nature to those securitised should have adequate knowledge and skills in the origination of exposures of a similar nature to those securitised; (b) any of the following principles on the quality of the expertise should be taken into account: (i) the role and duties of the members of the management body and the senior staff and the required capabilities should be adequate; (ii) the experience of the members of the management body and the senior staff gained in previous positions, education and training should be sufficient; (iii) the involvement of the members of the management body and the senior staff within the governance structure of the function of originating the exposures should be appropriate; (iv) in the case of a prudentially regulated entity, the regulatory authorisations or permissions held by the entity should be deemed relevant to origination of exposures of a similar nature to those securitised. 35. An originator or original lender should be deemed to have the required expertise when either of the following applies:	

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		(a) the business of the entity, or of the consolidated group to which the entity belongs for accounting or prudential purposes, has included the originating of exposures similar to those securitised, for at least five years; (b) where the requirement referred to in point (a) is not met, the originator or original lender should be deemed to have the required expertise where they comply with both of the following: (i) at least two of the members of the management body have relevant professional experience in the origination of exposures similar to those securitised, at a personal level, of at least five years; (ii) senior staff, other than members of the management body, who are responsible for managing the entity's originating of exposures similar to those securitised, have relevant professional experience in the origination of exposures of a similar nature to those securitised, at a personal level, of at least five years. 36. For the purposes of demonstrating the number of years of professional experience, the relevant expertise should be disclosed in sufficient detail and in accordance with the applicable confidentiality requirements to permit investors to carry out their obligations under Article 5(3)(c) of Regulation (EU) 2017/2402.	
No exposure in default and to credit-impaired debtors/guarantors *20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge: (a) has been declared insolvent or had a court grant his creditors a final non-	*39. The objective of the criterion in Article 20(11) is to ensure that STS securitisations are not characterised by underlying exposures whose credit risk has already been affected by certain negative events such as disputes with credit-impaired debtors or guarantors, debt-restructuring processes or default events as identified by the EU prudential regulation. Risk analysis and due diligence assessments by investors become more complex whenever the securitisation includes exposures subject to certain ongoing negative credit risk developments. For the same reasons, STS securitisations should not include underlying exposures to credit-impaired debtors or*	**Exposures in default** 37. For the purposes of the first subparagraph of Article 20(11) of Regulation (EU) 2017/2402, the exposures in default should be interpreted in the meaning of Article 178(1) of Regulation (EU) 575/2013, as further specified by the Delegated Regulation on the materiality threshold for credit obligations past due developed in accordance with Article 178 of that Regulation, and by the EBA Guidelines on the application of the definition of default developed in accordance with Article 178(7) of that regulation.	*Transfer.* The preliminary pool of loans to be transferred on each issuance is identified by the launch date, and the final pool of loans is transferred on or prior to the closing date pursuant to the mortgage sale agreement. Statistical information expected to comprise the portfolio (and including for such purposes any of the loans to be transferred on or prior to the closing date) as at cut-off date are set out in the preliminary final terms (see the section of the form of final terms entitled "Statistical information on the expected portfolio" (pages 283–290)), and transfers are made without undue delay following selection.

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appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if: (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender; or (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.	*guarantors that have an adverse credit history. In addition, significant risk of default normally rises as rating grades or other scores are assigned that indicate highly speculative credit quality and high likelihood of default, i.e. the possibility that the debtor or guarantor is not able to meet its obligations becomes a real possibility. Such exposures to credit-impaired debtors or guarantors should therefore also not be eligible for STS purposes.* *40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:* *(a) Interpretation of the term 'exposures in default': given the differences in interpretation of the term 'default', the interpretation of this criterion should refer to additional guidance on this term provided in the existing delegated regulations and guidelines developed by the EBA, while taking into account the limitation of scope of that additional guidance to certain types of institutions;* *(b) Interpretation of the term 'exposures to a credit-impaired debtor or guarantor': the interpretation should also take into account the interpretation provided in recital 26 of Regulation (EU) 2017/2402, according to which the circumstances specified in points (a) to (c) of Article 24(9) of that regulation are understood as specific situations of credit- impairedness to which exposures in the STS securitisation may not be exposed. Consequently, other possible circumstances of credit-impairedness that are not captured in points (a) to (c) should be outside the scope of this requirement. Moreover, taking into account the role of the guarantor as a risk bearer, it should be clarified that the requirement to exclude 'exposures to a credit-impaired debtor or guarantor' is not meant to exclude (i) exposures to a credit- impaired debtor when it has a guarantor that is not credit impaired; or (ii) exposures to a non-credit-impaired debtor when there is a credit-impaired guarantor;*	38. Where an originator or original lender is not an institution and is therefore not subject to Regulation (EU) 575/2013, the originator or original lender should comply with the guidance provided in the previous paragraph to the extent that such application is not deemed to be unduly burdensome. In that case, the originator or original lender should apply the established processes and the information obtained from debtors on origination of the exposures, information obtained from the originator in the course of its servicing of the exposures or in the course of its risk management procedure or information notified to the originator by a third party. Exposures to a credit-impaired debtor or guarantor 39. For the purposes of Article 20(11) of Regulation (EU) 2017/2402, the circumstances specified in points (a) to (c) of that paragraph should be understood as definitions of credit-impairedness. Other possible circumstances of credit-impairedness that are not captured in points (a) to (c) should be considered to be excluded from this requirement. 40. The prohibition of the selection and transfer to SSPE of underlying exposures 'to a credit-impaired debtor or guarantor' as referred to in Article 20(11) of Regulation (EU) 2017/2402 should be understood as the requirement that, at the time of selection, there should be a recourse for the full securitised exposure amount to at least one non-credit-impaired party, irrespective of whether that party is a debtor or a guarantor. Therefore, the underlying exposures should not include either of the following: (a) exposures to a credit-impaired debtor, when there is no guarantor for the full securitised exposure amount; (b) exposures to a credit-impaired debtor who has a credit-impaired guarantor. **To the best of the originator's or original lender's knowledge**	*Exposures in default.* The eligibility criteria set out in the mortgage sale agreement include that no borrower is in material breach of its obligations (see para 1.10 of schedule 1) or more than two months in arrears (see para 1.11 of schedule 1 of the mortgage sale agreement). The base prospectus includes confirmation that no such impaired loans are included in the pool (see the base prospectus section "The loans—Other characteristics" (page 144)). *Exposures to credit-impaired borrowers.* The eligibility criteria set out in the mortgage sale agreement include that so far as the seller is aware no loans were made to "credit-impaired obligors" (see para 1.24 of schedule 1 of the mortgage sale agreement) and that the lending criteria was satisfied in all material respects (see para 1.6 of schedule 1 of the mortgage sale agreement). The lending criteria excludes borrowers with certain negative credit histories (see schedule 4 of the mortgage sale agreement).

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	(c) Interpretation of the term 'to the best knowledge of': the interpretation should follow the wording of recital 26 of Regulation (EU) 2017/2402, according to which an originator or original lender is not required to take all legally possible steps to determine the debtor's credit status but is only required to take those steps that the originator/original lender usually takes within its activities in terms of origination, servicing, risk management and use of information that is received from third parties. This should not require the originator or original lender to check publicly available information, or to check entries in at least one credit registry where an originator or original lender does not conduct such checks within its regular activities in terms of origination, servicing, risk management and use of information received from third 13 parties, but rather relies, for example, on other information that may include credit assessments provided by third parties. Such clarification is important because corporates that are not subject to EU financial sector regulation and that are acting as sellers with respect to STS securitisation may not always check entries in credit registries and, in line with the best knowledge standard, should not be obliged to perform additional checks at origination of any exposure for the purposes of later fulfilling this criterion in terms of any credit-impaired debtors or guarantors; *(d) Interpretation of the criterion with respect to the debtors and guarantors found on the credit registry: it is important to interpret this requirement in a narrow sense to ensure that the existence of a debtor or guarantor on the credit registry of persons with adverse credit history should not automatically exclude the exposure to that debtor/guarantor from compliance with this criterion. It is understood that this criterion should relate only to debtors and guarantors that are, at the time of origination of the exposure, considered entities with adverse credit history. Existence on a credit registry at the time of origination of the exposure for reasons that can be reasonably ignored for the purposes of the credit risk*	41. For the purposes of Article 20(11) of Regulation (EU) 2017/2402, the 'best knowledge' standard should be considered to be fulfilled on the basis of information obtained only from any of the following combinations of sources and circumstances: (a) debtors on origination of the exposures; (b) the originator in the course of its servicing of the exposures or in the course of its risk management procedures; (c) notifications to the originator by a third party; (d) publicly available information or information on any entries in one or more credit registries of persons with adverse credit history at the time of origination of an underlying exposure, only to the extent that this information had already been taken into account in the context of (a), (b) and (c), and in accordance with the applicable regulatory and supervisory requirements, including with respect to sound credit granting criteria as specified in Article 9 of Regulation (EU) 2017/2402. This is with the exception of trade receivables that are not originated in the form of a loan, with respect to which credit-granting criteria do not need to be met. **Exposures to credit-impaired debtors or guarantors that have undergone a debt-restructuring process** 42. For the purposes of Article 20(11)(a) of Regulation (EU) 2017/2402, the requirement to exclude exposures to credit-impaired debtors or guarantors who have undergone a debt-restructuring process with regard to their non-performing exposures should be understood to refer to both the restructured exposures of the respective debtor or guarantor and those of its exposures that were not themselves subject to restructuring. For the purposes of this Article, restructured exposures which meet the conditions of points (i) and (ii) of that Article	

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	assessment (for example due to missed payments which have been resolved in the next two payment periods) should not be captured by this requirement. Therefore, this criterion should not automatically exclude from the STS framework exposures to all entities that are on the credit registries, taking into account that this would unintentionally exclude a significant number of entities given that different practices exist across EU jurisdictions with respect to entry requirements of such credit registries, and the fact that credit registries in some jurisdictions may contain both positive and negative information about the clients; *(e) Interpretation of the term 'significantly higher risk of contractually agreed payments not being made for comparable exposures': the term should be interpreted with a similar meaning to the requirement aiming to prevent adverse selection of assets referred to in Article 6(2) of Regulation (EU) 2017/2402, and further specified in the Article 16(2) of the Delegated Regulation specifying in greater detail the risk retention requirement in accordance with Article 6(7) of Regulation (EU) 2017/24027, given that in both cases the requirement (i) aims to prevent adverse selection of underlying exposures and (ii) relates to the comparison of the credit quality of exposures transferred to the SSPE and comparable exposures that remain on the originator's balance sheet. To facilitate the interpretation, a list is given of examples of how to achieve compliance with the requirement.*	should not result in a debtor or guarantor becoming designated as credit-impaired. **Credit registry** 43. The requirement referred to in Article 20(11)(b) of Regulation (EU) 2017/2402 should be limited to exposures to debtors or guarantors to which both of the following requirements apply at the time of origination of the underlying exposure: (a) the debtor or guarantor is explicitly flagged in a credit registry as an entity with adverse credit history due to negative status or negative information stored in the credit registry; (b) the debtor or guarantor is on the credit registry for reasons that are relevant to the purposes of the credit risk assessment. **Risk of contractually agreed payments not being made being significantly higher than for comparable exposures** 44. For the purposes of Article 20(11)(c) of Regulation (EU) 2017/2402, the exposures should not be considered to have a 'credit assessment of a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised' when the following conditions apply: (a) the most relevant factors determining the expected performance of the underlying exposures are similar; (b) as a result of the similarity referred to in point (a) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the transaction or over a maximum of four years, where the life of the transaction is longer than four years, their performance would not be significantly different.	

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		45. The requirement in the previous paragraph should be considered to have been met where either of the following applies: (a) the underlying exposures do not include exposures that are classified as doubtful, impaired, non-performing or classified to the similar effect under the relevant accounting principles; (b) the underlying exposures do not include exposures whose credit quality, based on credit ratings or other credit quality thresholds, significantly differs from the credit quality of comparable exposures that the originator originates in the course of its standard lending operations and credit risk strategy.	
At least one payment made *20.12. The debtors shall, at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.	*41. STS securitisations should minimise the extent to which investors are required to analyse and assess fraud and operational risk. At least one payment should therefore be made by each underlying borrower at the time of transfer, since this reduces the likelihood of the loan being subject to fraud or operational issues, unless in the case of revolving securitisations in which the distribution of securitised exposures is subject to constant changes because the securitisation relates to exposures payable in a single instalment or with an initial legal maturity of an exposure of below one year.* *42. To facilitate consistent interpretation of this criterion, its scope and the types of payments referred to therein should be further clarified.*	**Scope of the criterion** 46. For the purposes of Article 20(12) of Regulation (EU) 2017/2402, further advances in terms of an exposure to a certain borrower should not be deemed to trigger a new 'at least one payment' requirement with respect to such an exposure. **At least one payment** 47. For the purposes of Article 20(12) of Regulation (EU) 2017/2402, the payment referred to in the requirement according to which 'at least one payment' should have been made at the time of transfer should be a rental, principal or interest payment or any other kind of payment.	The eligibility criteria set out in the mortgage sale agreement include that each borrower has made at least one monthly payment (see para 1.9 of schedule 1 of the mortgage sale agreement). The base prospectus also summarises the eligibility criteria. See the base prospectus section "Assignment of the loans and their related security—Assignment of loans and their related security to the mortgages trustee" (pages 155-158).
No predominant dependence on the sale of assets *20.13. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures. This shall not prevent such assets from being subsequently rolled-over or refinanced.	*43. Dependence of the repayment of the holders of the securitisation positions on the sale of assets securing the underlying exposures increases the liquidity risks, market risks and maturity transformation risks to which the securitisation is exposed. It also makes the credit risk of the securitisation more difficult for investors to model and assess.* *44. The objective of this criterion is to ensure that the repayment of the principal balance of exposures*	**Predominant dependence on the sale of assets** 48. For the purposes of Article 20(13) of Regulation (EU) 2017/2402, transactions where all of the following conditions apply, at the time of origination of the securitisation in cases of amortising securitisation or during the revolving period in cases of revolving securitisation, should be considered not predominantly dependent on	The loans in the portfolio are comprised of repayment loans and interest only loans. For interest-only loans, the borrower is recommended to have some repayment mechanism (such as an investment plan) which is intended to provide sufficient funds to repay the principal on maturity. It is the responsibility of the borrower to have an investment plan in place to ensure such funds are available.

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The repayment of the holders of the securitisation positions whose underlying exposures are secured by assets the value of which is guaranteed or fully mitigated by a repurchase obligation by the seller of the assets securing the underlying exposures or by another third party shall not be considered to depend on the sale of assets securing those underlying exposures.	*at the contract maturity – and therefore repayment of the holders of the securitisation positions – is not intended to be predominantly reliant on the sale of assets securing the underlying exposures, unless the value of the assets is guaranteed or fully mitigated by a repurchase obligation.* *45. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:* *(a) the term 'predominant dependence' on the sale of assets securing the underlying exposures should be further interpreted:* *(i) when assessing whether the repayment of the holders of the securitisation positions is or is not predominantly dependent on the sale of assets, the following three aspects should be taken into account: (i) the principal balance at contract maturity of underlying exposures that depend on the sale of assets securing those underlying exposures to repay the balance; (ii) the distribution of maturities of such exposures across the life of the transaction, which aims to reduce the risk of correlated defaults due to idiosyncratic shocks; and (iii) the granularity of the pool of exposures, which aims to promote sufficient distribution in sale dates and other characteristics that may affect the sale of the underlying exposures.* *(i) no types of securitisations should be excluded ex ante from the compliance with this criterion and from the STS securitisation as long as they meet all the requirements specified in the guidance. For example, this criterion does not aim to exclude leasing transactions and interest-only residential mortgages from STS securitisation, provided they comply with the guidance provided and all other applicable STS requirements.* *However, it is expected that commercial real estate transactions, or securitisations where the assets are commodities (e.g. oil, grain, gold), or bonds whose maturity dates fall after the maturity date of the securitisation, would not meet these*	the sale of assets securing the underlying exposures, and therefore allowed: (a) the contractually agreed outstanding principal balance, at contract maturity of the underlying exposures that depend on the sale of the assets securing those underlying exposures to repay the principal balance, corresponds to no more than 50% of the total initial exposure value of all securitisation positions of the securitisation; (b) the maturities of the underlying exposures referred to in point (a) are not subject to material concentrations and are sufficiently distributed across the life of the transaction; (c) the aggregate exposure value of all the underlying exposures referred to in point (a) to a single obligor does not exceed 2% of the aggregate exposure value of all underlying exposures in the securitisation. 49. Where there are no underlying exposures in the securitisation that depend on the sale of assets to repay their outstanding principal balance at contract maturity, the requirements in paragraph 48 should not apply. **Exemption provided in the second subparagraph of Article 20(13) of Regulation (EU) 2017/2402** 50. The exemption referred to in the second subparagraph of Article 20(13) of Regulation (EU) 2017/2402 with regard to the repayment of holders of securitisation positions whose underlying exposures are secured by assets, the value of which is guaranteed or fully mitigated by a repurchase obligation of either the assets securing the underlying exposures or of the underlying exposures themselves by another third party or parties, the seller or the third parties should meet both of the following conditions: (a) they are not insolvent;	See the base prospectus sections "The loans—Characteristics of the loans— Repayment terms" (page 129) and "Assignment of the loans and their related security—Representations and warranties" (pages 159-166).

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	requirements, as in all these cases it is expected that the repayment is predominantly reliant on the sale of the assets, that other possible ways to repay the securitisation positions are substantially limited, and that the granularity of the portfolio is low. *46. With respect to the exemption provided in the second subparagraph of Article 20(13) of Regulation (EU) 2017/2402, it should be ensured that the entity providing the guarantee or the repurchase obligation of the assets securing the underlying exposures is not an empty-shell or defaulted entity, so that it has sufficient loss absorbency to exercise the guarantee of the repurchase of the assets.*	(b) there is no reason to believe that the entity would not be able to meet its obligations under the guarantee or the repurchase obligation.	
Article 21 - requirements relating to standardisation			
Risk retention *21.1. The originator, sponsor or original lender shall satisfy the risk-retention requirement in accordance with Article 6.	*47. The main objective of the risk retention criterion is to ensure an alignment between the originators'/sponsors'/original lenders' and investors' interests, and to avoid application of the originate-to-distribute model in securitisation.* *48. The content of the criterion is deemed sufficiently clear that no further guidance in addition to that provided by the Delegated Regulation further specifying the risk retention requirement in accordance with Article 6(7) of Regulation (EU) 2017/2402 is considered necessary.*		The undertakings in the mortgages trust deed require the seller to maintain a seller share in order to satisfy applicable risk retention obligations. See clause 9 of the mortgages trust deed. The risk retention obligations and seller share calculations are disclosed in the base prospectus. See the base prospectus section "Risk Retention Requirements—UK risk retention" (page 83).
Appropriate mitigation of interest-rate and currency risks 21.2. The interest-rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed. Except for the purpose of hedging interest-rate or currency risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives. Those derivatives shall be underwritten and documented according to common standards in international finance.	*49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest- rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.* *50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it*	**Appropriate mitigation of interest-rate and currency risks** 51. For the purposes of Article 21(2) of Regulation (EU) 2017/2402 in order for the interest-rate and currency risks arising from the securitisation to be considered 'appropriately mitigated', it should be sufficient that a hedge or mitigation is in place, on condition that it is not unusually limited with the effect that it covers a major share of the respective interest-rate or currency risks under relevant scenarios, understood from an economic perspective. Such a mitigation may also be in the form of derivatives or other mitigating measures including reserve funds,	*Interest rate risks.* Interest rate risks are managed for funding through a funding swap and for the Master Issuer through each Master Issuer swap (which are documented in separate swap agreements and summarised in the base prospectus, see the section "The swap agreements" (pages 240-245)). The swaps by their terms match cashflows from assets to liabilities. Interest rate risks are also managed through: 1. under clause 4.1 of the servicing agreement, requirements that discretionary rates set in respect of the loans (e.g., the mortgages trustee SVR and any variable margin applicable to any tracker loan) are required (subject to the terms of the mortgage

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	can be considered to appropriately mitigate the risks mentioned. *51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.* *52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:* *(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;* *(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;* *(c) clarification of the term 'common standards in international finance'.*	over collateralisation, excess spread or other measures. 52. Where the appropriate mitigation of interest-rate and currency risks is carried out through derivatives, all of the following requirements should apply: (a) the derivatives should be used only for genuine hedging of asset and liability mismatches of interest rates and currencies, and should not be used for speculative purposes; (b) the derivatives should be based on commonly accepted documentation, including International Swaps or Derivatives Association (ISDA) or similar established national documentation standards; (c) the derivative documentation should provide, in the event of the loss of sufficient creditworthiness of the counterparty below a certain level, measured either on the basis of the credit rating or otherwise, that the counterparty is subject to collateralisation requirements or makes a reasonable effort for its replacement or guarantee by another counterparty. 53. Where the mitigation of interest-rate and currency risks referred to in Article 21(2) of Regulation (EU) 2017/2402 is carried out not through derivatives but by other risk-mitigating measures, those measures should be designed to be sufficiently robust. When such risk-mitigating measures are used to mitigate multiple risks at the same time, the disclosure required by Article 21(2) of Regulation (EU) 2017/2402 should include an explanation of how the measures hedge the interest- rate risks and currency risks on one hand, and other risks on the other hand. 54. The measures referred to in paragraphs 52 and 53, as well as the reasoning supporting the appropriateness of the mitigation of the interest-rate and currency risks through the life of the transaction, should be disclosed.	loans and applicable law) to be set at a minimum rate (see also the base prospectus section "The servicing agreement— Undertakings by the servicer" (pages 149-152)). 2. under clause 8.5 of the mortgage sale agreement, requirements that loans will not cause the average post derivatives yield of the portfolio to fall below a defined threshold (see also the base prospectus section "Assignment of the loans and their related security—Legal assignment of the loans to the mortgages trustee" (pages 158-159)). *Currency risks.* Currency risks are managed for the Master Issuer through Master Issuer swaps (which are documented in separate swap agreements and summarised in the base prospectus). The swaps by their terms match cashflows from assets to liabilities. See also the base prospectus section "The swap agreements" (pages 240-245). *Other derivative contracts.* Under the terms and conditions of the intercompany loan (for funding) (see clauses 14.6, 14.7, 14.8 and 14.9 of the intercompany loan agreement) and of the notes (for the Master Issuer) (see conditions 4.1, 4.2, 4.5 and 4.6 of the terms and conditions of the notes), each of funding and Master Issuer has effectively undertaken not to enter into any transactions other than those contemplated in a defined set of transaction documents, which implies that the entities will not enter into derivatives other than the swap agreements. The portfolio is comprised of residential mortgage loans based on standard form documentation, and therefore does not include derivatives (see para 1.7(a) of schedule 1 of the mortgage sale agreement). In addition, the base prospectus confirms that no other derivative contracts will be entered into (see the base prospectus section "The loans— Other characteristics" (page 144)). *Speculation.* The swaps are intended by their terms to match cashflows from assets and liabilities, and not for speculative purposes.

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		Derivatives 55. For the purpose of Article 21(2) of Regulation (EU) 2017/2402, exposures in the pool of underlying exposures that merely contain a derivative component exclusively serving the purpose of directly hedging the interest-rate or currency risk of the respective underlying exposure itself, which are not themselves derivatives, should not be understood to be prohibited. **Common standards in international finance** 56. For the purposes of Article 21(2) of Regulation (EU) 2017/2402, common standards in international finance should include ISDA or similar established national documentation standards.	*Documentation.* The swap agreements are based on ISDA forms. *Swap counterparties.* The swap counterparty is Santander UK plc and, with respect to the Master Issuer level swaps, any other swap counterparty identified in the relevant final terms. The swap counterparty is disclosed in the base prospectus and is a financial institution, see base prospectus sections "The Master Issuer Swap Providers" (page 125) and "The Funding Swap Provider" (page 126). Clause 5(b) of each swap agreement provide for the event of the loss of sufficient creditworthiness of the counterparty below a certain level, that the counterparty is subject to collateralisation requirements and, in the event of the loss of sufficient creditworthiness of the counterparty below a further level, and where the counterparty is not a public body, that such party makes reasonable effort for its replacement or guarantee by another counterparty. *Appropriate risk mitigant.* The measures, as well as the reasoning supporting the appropriateness of the mitigation of the interest rate and currency risks through the life of the transaction are disclosed in the final terms. See the section of the form of final terms entitled “Mitigation of interest rate and currency risks” (pages 291-293).
Referenced interest payments *21.3. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, and shall not reference complex formulae or derivatives.	*53. The objective of this criterion is to prevent securitisations from making reference to interest rates that cannot be observed in the commonly accepted market practice. The credit risk and cash flow analysis that investors must be able to carry out should not involve atypical, complex or complicated rates or variables that cannot be modelled on the basis of market experience and practice.* *54. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:* *(a) the scope of the criterion (by specifying the common types and examples of interest rates captured by this criterion);*	**Referenced rates** 57. For the purposes of Article 21(3) of Regulation (EU) 2017/2402, interest rates that should be considered to be an adequate reference basis for referenced interest payments should include all of the following: (a) interbank rates including the Libor, Euribor and other recognised benchmarks; (b) rates set by monetary policy authorities, including FED funds rates and central banks’ discount rates; (c) sectoral rates reflective of a lender’s cost of funds, including standard variable rates and internal interest rates that directly reflect the	The assets have a combination of fixed, external reference rates and rates based on the seller’s cost of funds (i.e., a variable rate, the Santander UK SVR, a tracking rate or a rate directly linked to rates set by the Bank of England). See the base prospectus section “The loans—Characteristics of the loans” (pages 128-135). The stratification tables in the base prospectus provide relative proportions of different rates, and the form of final terms includes tables which show the correlation between sectoral rates and other market rates, such that those rates can be assessed against other market rates. See the section of the form of final terms entitled “Mitigation

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	(b) the term 'complex formulae or derivatives'.	market costs of funding of a bank or a subset of institutions, to the extent that sufficient data are provided to investors to allow them to assess the relation of the sectoral rates to other market rates. **Complex formulae or derivatives** 58. For the purposes of Article 21(3) of Regulation (EU) 2017/2402, a formula should be considered to be complex when it meets the definition of an exotic instrument by the Global Association of Risk Professionals (GARP), which is a financial asset or instrument with features that make it more complex than simpler, plain vanilla, products. A complex formula or derivative should not be deemed to exist in the case of the mere use of interest-rate caps or floors.	of interest rate and currency risks" (pages 291-293). The notes issued under the programme may be fixed rate notes or floating rate notes calculated by reference to SONIA, EURIBOR, €STR or SOFR. See the form of final terms.
Requirements in case of enforcement or delivery of an acceleration notice 21.4. Where an enforcement or an acceleration notice has been delivered: (a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that an amount be trapped to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures; (b) principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position; (c) repayment of the securitisation positions shall not be reversed with regard to their seniority; and	*55. The objective of this criterion is to prevent investors from being subjected to unexpected repayment profiles and to provide appropriate legal comfort regarding their enforceability, for instances where an enforcement or an acceleration notice has been delivered.* *56. STS securitisations should be such that the required investor's risk analysis and due diligence do not have to factor in complex structures of the payment priority that are difficult to model, nor should the investor be exposed to complex changes in such structures throughout the life of the transaction. Therefore, it should be ensured that junior noteholders do not have inappropriate payment preference over senior noteholders that are due and payable.* *57. In addition, taking into account that market risk on the underlying collateral constitutes an element of complexity in the risk and due diligence analysis to be carried out by investors, the objective is also to ensure that the performance of STS securitisations does not rely, due to contractual triggers, on the automatic liquidation at market price of the underlying collateral.* *58. To facilitate consistent interpretation of this criterion, the scope and operational functioning of*	**Exceptional circumstances** 59. For the purposes of Article 21(4)(a) of Regulation (EU) 2017/2402, a list of 'exceptional circumstances' should, to the extent possible, be included in the transaction documentation. 60. Given the nature of 'exceptional circumstances' and in order to allow some flexibility with respect to potential unusual circumstances requiring that cash be trapped in the SSPE in the best interests of investors, where a list of 'exceptional circumstances' is included in the transaction documentation in accordance with paragraph 59, such a list should be non-exhaustive. **Amount trapped in the SSPE in the best interests of investors** 61. For the purposes of Article 21(4)(a) of Regulation (EU) 2017/2402, the amount of cash to be considered as trapped in the SSPE should be that agreed by the trustee or other representative of the investors who is legally required to act in the best interests of the investors, or by the investors in accordance with the voting provisions set out in the transaction documentation.	Where an enforcement or an acceleration notice has been delivered under the intercompany loan agreement no amount of cash is trapped in funding as all enforcement proceeds are required to be applied in accordance with the funding post-enforcement priority of payments (see schedule 3 part 3 to the funding deed of charge). Note clause 8.9 of the funding deed of charge provides that the funding security trustee may retain proceeds of enforcement in an interest bearing account post enforcement of the funding security but prior to amounts becoming due in respect of any funding secured obligations. Clause 8 states that the funding security only becomes enforceable following delivery of an Intercompany loan acceleration notice. Clause 15.10 of the intercompany loan agreement does permit the funding security trustee to require only that loan tranches under the intercompany loan are due and payable on demand – given the terms of the funding deed of charge and the cashflow waterfalls – a funding security trustee would likely only deliver an intercompany loan acceleration notice without requiring amounts under the intercompany loan to be immediately due and payable in exceptional circumstances in the best interests of noteholders. The funding security trustee holds the security for

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(d) no provisions shall require automatic liquidation of the underlying exposures at market value.	*conditions specified under letters (a), (b) and (d) of Article 21(4) should be specified further.*	62. For the purposes of Article 21(4)(a) of Regulation (EU) 2017/2402, it should be permissible to trap the cash in the SSPE in the form of a reserve fund for future use, as long as the use of the reserve fund is exclusively limited to the purposes set out in Article 21(4)(a) of Regulation (EU) 2017/2402 or to orderly repayment to the investors. **Repayment** 63. The requirements in Article 21(4)(b) of Regulation (EU) 2017/2402 should be understood as covering only the repayment of the principal, without covering the repayment of interest. 64. For the purposes of Article 21(4)(b) of Regulation (EU) 2017/2402, non-sequential payments of principal in a situation where an enforcement or an acceleration notice has been delivered should be prohibited. Where there is no enforcement or acceleration event, principal receipts could be allowed for replenishment purposes pursuant to Article 20(12) of that Regulation. **Liquidation of the underlying exposures at market value** 65. For the purposes of Article 21(4)(d) of Regulation (EU) 2017/2402, the investors' decision to liquidate the underlying exposures at market value should not be considered to constitute an automatic liquidation of the underlying exposures at market value.	the funding secured creditors (see recital (H) to the funding deed of charge). The Master Issuer security trustee holds the security for the Master Issuer secured creditors (see recital (B) of the Master Issuer deed of charge). The note trustee acts in the interests of itself and the noteholders (see recital (B) of the Master Issuer trust deed). No amount of cash is trapped in the Master Issuer under the Master Issuer post –enforcement priority of payments after a note enforcement notice and an intercompany loan acceleration notice has been served (see clause 7.1 of the Master Issuer deed of charge). Note clause 6.7 of the Master Issuer deed of charge provides that the Master Issuer security trustee may retain proceeds of enforcement in an interest-bearing account post enforcement of the Master Issuer security but prior to amounts becoming due in respect of any Master Issuer secured obligations. Clause 9.2 states that the Master Issuer security becomes immediately enforceable following a note event default. Condition 10 of the terms and conditions of the notes provides that the notes will become immediately due and repayable following specified events of default so the circumstances contemplated in clause 6.7 of the Master Issuer deed of charge seem unlikely to arise. Clause 7 of the Master Issuer deed of charge describing the priority of payments of Master Issuer principal receipts and Master Issuer revenue receipts after service of a note enforcement notice and a loan acceleration notice makes it clear that the principal receipts from the underlying exposures are passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position and that repayment of the securitisation positions are not reversed with regard to their seniority. There are no provisions requiring automatic liquidation of the underlying exposures at market value. See clause 5.6 of the funding deed of charge and clause 4.7 of the Master Issuer deed of charge.

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Non-sequential priority of payments 21.5. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a predetermined threshold.	*59. The objective of this criterion is to ensure that non-sequential (pro rata) amortisation should be used only in conjunction with clearly specified contractual triggers that determine the switch of the amortisation scheme to a sequential priority, safeguarding the transaction from the possibility that credit enhancement is too quickly amortised as the credit quality of the transaction deteriorates, thereby exposing senior investors to a decreasing amount of credit enhancement.* *60. To facilitate consistent interpretation of this criterion, a non-exhaustive list of examples of performance-related triggers that may be included is provided in the guidance.*	**Performance-related triggers** 66. For the purposes of Article 21(5) of Regulation (EU) 2017/2402, the triggers related to the deterioration in the credit quality of the underlying exposures may include the following: (a) with regard to underlying exposures for which a regulatory expected loss (EL) can be determined in accordance with Regulation (EU) 575/2013 or other relevant EU regulation, cumulative losses that are higher than a certain percentage of the regulatory one-year EL on the underlying exposures and the weighted average life of the transaction; (b) cumulative non-matured defaults that are higher than a certain percentage of the sum of the outstanding nominal amount of tranche held by the investors and the tranches that are subordinated to them; (c) the weighted average credit quality in the portfolio decreasing below a given pre-specified level or the concentration of exposures in high credit risk (probability of default) buckets increasing above a pre-specified level.	The structure contemplates non-sequential payments of notes. However, the intercompany loan agreement (which drives the amounts payable in respect of the notes) provides that each term advance becomes due and payable, *inter alia*, upon the occurrence of an asset trigger event (being a trigger event). The amounts payable are subject to the funding priority of payments (per clause 7.1 of the Master Issuer deed of charge). An asset trigger event is effectively defined in the master definitions and construction schedule as being the event that occurs when an amount is debited to the AAA principal deficiency sub ledger of funding unless certain criteria are met. This is essentially a measure of deterioration in the credit quality of the underlying exposures below a predetermined threshold. Clause 5 of part 2 of schedule 3 of the funding deed of charge requires payments following the occurrence of an asset trigger event to be made sequentially to each term advance by seniority of their ranking. The Master Issuer cash management agreement provides in clause 4 of schedule 2 for the priority of payments for mortgages trust available principal receipts. This requires sequential payments to the notes in order of their priority to the extent amounts are due and payable on the notes.
Early amortisation provisions/triggers for termination of the revolving period 21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following: (a) a deterioration in the credit quality of the underlying exposures to or below a predetermined threshold;	*61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.* *62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the*	**Insolvency-related event with regard to the servicer** 67. For the purposes of Article 21(6)(b) of Regulation (EU) 2017/2402, an insolvency-related event with respect to the servicer should lead to both of the following: (a) it should enable the replacement of the servicer in order to ensure continuation of the servicing; (b) it should trigger the termination of the revolving period.	The transaction is not a securitisation where the securitisation structure itself revolves by loans being added to or removed from the pool of loans.

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(b) the occurrence of an insolvency-related event with regard to the originator or the servicer; (c) the value of the underlying exposures held by the SSPE falls below a predetermined threshold (early amortisation event); and (d) a failure to generate sufficient new underlying exposures that meet the predetermined credit quality (trigger for termination of the revolving period).	*insolvency-related event with respect to the servicer should be further clarified.*		
Transaction documentation 21.7. The transaction documentation shall clearly specify: (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers; (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.	*63. The objective of this criterion is to help provide full transparency to investors, assist investors in the conduct of their due diligence and prevent investors from being subject to unexpected disruptions in cash flow collections and servicing, as well as to provide investors with certainty about the replacement of counterparties involved in the securitisation transaction.* *64. This criterion is considered sufficiently clear and no further guidance is considered necessary.*		*Service providers.* The service providers are: (i) the servicer, who is appointed under the servicing agreement (see the base prospectus section "The servicing agreement" (pages 149-154)) (ii) the mortgages trustee corporate services provider, who is appointed under the mortgages trustee corporate services agreement (iii) the cash manager, who is appointed under the cash management agreement (see the base prospectus section "Cash management for the mortgages trustee and Funding" (pages 246-251)) the funding corporate services provider, who is appointed under the funding corporate services agreement (iv) the Master Issuer cash manager, who is appointed under the Master Issuer cash management agreement (see the base prospectus section "Cash management for the Master Issuer" (pages 252-254)) (v) the paying agents, agent bank, registrar transfer agent and exchange rate agents, who are appointed under the paying agent and agent bank agreement (vi) the account banks, who are appointed under the relevant account bank agreement (vii) the Master Issuer corporate services provider, who is appointed under the Master Issuer corporate services agreement

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			(viii) the Master Issuer security trustee, the funding security trustee and the note trustee, who are appointed under the relevant trust deeds (ix) the funding swap provider and Master Issuer swap providers, who are appointed under the relevant swap agreements (see the base prospectus section "The swap agreements" (pages 240-245)) The contractual obligations of the service providers are specified in the relevant agreements and, as identified above with respect to certain providers, summarised in the base prospectus. *Servicer.* clause 21 of the servicing agreement contains provisions providing for the termination of the servicer and provisions anticipating the appointment of a replacement servicer by the mortgages trustee, funding and/or the security trustee. *Swap counterparties.* There is a funding swap agreement and the Master Issuer has entered into Master Issuer swap agreements. Each swap agreement has provisions requiring replacement of the swap counterparties in the event of their default or insolvency (see part 5 of the schedule to each swap agreement and in the credit support annex entered into in respect of each swap agreement), which requires the relevant swap counterparties to take certain remedial actions as necessary to avoid a negative impact on the ratings of the notes. *Account banks.* There are bank accounts established by funding and the Master Issuer, each of which are subject to provisions requiring the replacement of the applicable banks in the event of their insolvency or default (see clause 8 of the funding bank account agreement and clause 9 of the Master Issuer bank account agreement). The contractual arrangements with the service providers, servicer, swap counterparties and account banks are summarised in the base prospectus.

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Expertise of the servicer 21.8. The servicer shall have expertise in servicing exposures of a similar nature to those securitised and shall have well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures.	*65. The objective of this criterion is to ensure that all the conditions are in place for the proper functioning of the servicing function, taking into account the crucial importance of servicing in securitisation and the central nature of this function within any securitisation transaction.* *66. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:* *(a) criteria for determining the expertise of the servicer;* *(b) criteria for determining well-documented and adequate policies, procedures and risk management controls of the servicer.* *67. The criteria for the expertise of the servicer should correspond to those for the expertise of the originator or the original lender. Newly established entities should be allowed to perform the tasks of servicing, as long as the back-up servicer has the appropriate experience. It is expected that information on the assessment of the expertise is provided in sufficient detail in the STS notification.*	**Criteria for determining the expertise of the servicer** 68. For the purposes of determining whether a servicer has expertise in servicing exposures of a similar nature to those securitised in accordance with Article 21(8) of Regulation (EU) 2017/2402, both of the following should apply: (a) the members of the management body of the servicer and the senior staff, other than members of the management body, responsible for servicing exposures of a similar nature to those securitised should have adequate knowledge and skills in the servicing of exposures similar to those securitised; (b) any of the following principles on the quality of the expertise should be taken into account in the determination of the expertise: (i) the role and duties of the members of the management body and the senior staff and the required capabilities should be adequate; (ii) the experience of the members of the management body and the senior staff gained in previous positions, education and training should be sufficient; (iii) the involvement of the members of the management body and the senior staff within the governance structure of the function of servicing the exposures should be appropriate; (iv) in the case of a prudentially regulated entity, the regulatory authorisations or permissions held by the entity should be deemed relevant to the servicing of similar exposures to those securitised. 69. A servicer should be deemed to have the required expertise where either of the following applies: (a) the business of the entity, or of the consolidated group, to which the entity belongs, for accounting or prudential purposes, has	The servicer has undertaken the servicing of loans of a similar nature to those securitised, for at least five years as the programme has been in place for more than five years and throughout that time Santander UK has been servicing the loans. See the base prospectus section “Santander UK plc and the Santander UK Group” (pages 117-118). The servicer is an entity that is subject to prudential, capital and liquidity regulation and supervision in the UK, and the existence of well documented and adequate policies, procedures and risk management controls in this regard has been assessed and confirmed by the PRA/FCA. See the base prospectus section “Santander UK plc and the Santander UK Group” (pages 117-118).

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		included the servicing of exposures of a similar nature to those securitised, for at least five years; (b) where the requirement referred to in point (a) is not met, the servicer should be deemed to have the required expertise where they comply with both of the following: (i) at least two of the members of its management body have relevant professional experience in the servicing of exposures of a similar nature to those securitised, at personal level, of at least five years; (ii) senior staff, other than members of the management body, who are responsible for managing the entity's servicing of exposures of a similar nature to those securitised, have relevant professional experience in the servicing of exposures of a similar nature to those securitised, at a personal level, of at least five years; (iii) the servicing function of the entity is backed by the back-up servicer compliant with point (a).	
		70. For the purpose of demonstrating the number of years of professional experience, the relevant expertise should be disclosed in sufficient detail and in accordance with the applicable confidentiality requirements to permit investors to carry out their obligations under Article 5(3)(c) of Regulation (EU) 2017/2402. **Exposures of similar nature** 71. For the purposes of Article 21(8) of Regulation (EU) 2017/2402, interpretation of the term 'exposures of similar nature' should follow the interpretation provided in paragraph 23 above. **Well-documented and adequate policies, procedures and risk management controls** 72. For the purposes of Article 21(8) of Regulation (EU) 2017/2402, the servicer should be considered to have well documented and adequate policies, procedures and risk management controls relating to servicing of	

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		exposures' where either of the following conditions is met: (a) The servicer is an entity that is subject to prudential and capital regulation and supervision in the Union and such regulatory authorisations or permissions are deemed relevant to the servicing; (b) The servicer is an entity that is not subject to prudential and capital regulation and supervision in the Union, and a proof of existence of well-documented and adequate policies and risk management controls is provided that also includes a proof of adherence to good market practices and reporting capabilities. The proof should be substantiated by an appropriate third party review, such as by a credit rating agency or external auditor.	
Remedies and actions related to delinquency and default of a debtor 21.9. The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies. The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.	*68. Investors should be in a position to know, when they receive the transaction documentation, what procedures and remedies are planned in the event that adverse credit events affect the underlying exposures of the securitisation. Transparency of remedies and procedures, in this respect, allows investors to model the credit risk of the underlying exposures with less uncertainty. In addition, clear, timely and transparent information on the characteristics of the waterfall determining the payment priorities is necessary for the investor to correctly price the securitisation position.* *69. To facilitate consistent interpretation of this criterion, the terms 'in clear and consistent terms' and 'clearly specify' should be further clarified.*	**Clear and consistent terms** For the purposes of Article 21(9) of Regulation (EU) 2017/2402, to 'set out clear and consistent terms' and to 'clearly specify' should be understood as requiring that the same precise terms are used throughout the transaction documentation in order to facilitate the work of investors.	*Asset performance remedies.* The base prospectus and the transaction documents include a summary of the originator's policies and procedures regarding remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies (see the sections of the base prospectus entitled "The loans—Lending criteria" (pages 140-141), "The loans— Characteristics of the loans" (pages 128-135) and "The servicer—Arrears and default procedures" (pages 146-148)). A comprehensive master definitions and construction schedule defines the terms set out in the regulations where applicable, which are consistently applied across the transaction documents, and the base prospectus also includes defined terms under the section entitled "Glossary" (pages 415-451). *Priorities of payments.* priorities of payments and relevant triggers are set out in the mortgages trust deed, the funding deed of charge, the Master Issuer deed of charge, the Master Issuer cash management agreement, the intercompany loan and the terms and conditions of the notes. The base prospectus also includes a summary of these

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			under the sections entitled “Cashflows” (pages 212-231) and “Credit Structure” (pages 232-239) and confirmation that any relevant changes will be disclosed under the section entitled “Cashflows—Disclosure of modifications to the priorities of payments” (page 231).
Resolution of conflicts between different classes of investors 21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	*70. The objective of this criterion is to help ensure clarity for securitisation noteholders of their rights and ability to control and enforce on the underlying credit claims or receivables. This should make the decision- making process more effective, for instance in circumstances where enforcement rights on the underlying assets are being exercised.* *71. To facilitate consistent interpretation of this criterion, the term ‘clear provisions that facilitate the timely resolution of conflicts between different classes of investors’ should be further interpreted.*	**Clear provisions facilitating the timely resolution of conflicts between different classes of investors** 73. For the purposes of Article 21(10) of Regulation (EU) 2017/2402, provisions of the transaction documentation that ‘facilitate the timely resolution of conflicts between different classes of investors’, should include provisions with respect to all of the following: (a) the method for calling meetings or arranging conference calls; (b) the maximum timeframe for setting up a meeting or conference call; (c) the required quorum; (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision; (e) where applicable, a location for the meetings which should be in the Union. 74. For the purposes of Article 21(10) of Regulation (EU) 2017/2402, where mandatory statutory provisions exist in the applicable jurisdiction that set out how conflicts between investors have to be resolved, the transaction documentation may refer to these provisions.	Conditions 3 and 12 of the terms and conditions of the notes and schedule 5 of the Master Issuer trust deed contain provisions for the resolution of conflicts between different classes of noteholders, including: (a) the method for calling meetings (item 2 of schedule 5) (b) the minimum and maximum timeframe for setting up a meeting (item 3 of schedule 5) (c) the required quorum (item 5 of schedule 5) (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision (items 18 through 26 of schedule 5, and condition 3) (e) the time and place of any meetings to be determined by the note trustee, which shall be located in the United Kingdom (or, if applicable, the European Union) (item 2 of schedule 5).
Article 22 – requirements relating to transparency			
Data on historical default and loss performance 22.1. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such	*72. The objective is to provide investors with sufficient information on an asset class to conduct appropriate due diligence and to provide access to a sufficiently rich data set to enable a more accurate calculation of expected loss in different stress scenarios. These data are necessary for*	**Data** 75. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, where the seller cannot provide data in line with the data requirements contained therein, external data that are publicly available	The base prospectus and each final terms include static pool data and historical pool data with respect to the pool as well as comparable data of substantially similar exposures. See the base prospectus sections “Arrears Experience” (page 363) and "Static Pool Data and Dynamic Data in

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as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period of at least five years.	*investors to carry out proper risk analysis and due diligence, and they contribute to building confidence and reducing uncertainty regarding the market behaviour of the underlying asset class. New asset classes entering the securitisation market, for which a sufficient track record of performance has not yet been built up, may not be considered transparent in that they cannot ensure that investors have the appropriate tools and knowledge to carry out proper risk analysis.* *73. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:* *(a) its application to external data;* *(b) the term 'substantially similar exposures'.*	or are provided by a third party, such as a rating agency or another market participant, may be used, provided that all of the other requirements of that article are met. **Substantially similar exposures** 76. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, the term 'substantially similar exposures' should be understood as referring to exposures for which both of the following conditions are met: (a) the most relevant factors determining the expected performance of the underlying exposures are similar; (b) as a result of the similarity referred to in point (a) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the transaction, or over a maximum of four years, where the life of the transaction is longer than four years, their performance would not be significantly different. 77. The substantially similar exposures should not be limited to exposures held on the balance sheet of the originator.	respect of Whole Residential Mortgage Book" (pages 364-367) and the sections of the form of final terms entitled "Static Pool Data and Dynamic Data in respect of Whole Residential Mortgage Book" (pages 294-296) and "Arrears Experience in respect of the Holmes Portfolio" (page 297). Such information included in the base prospectus and the form of final terms is made available to investors prior to the pricing of any issuance of notes.
Verification of a sample of the underlying exposures 22.2. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate.	*74. The objective of the criterion is to provide a level of assurance that the data on and reporting of the underlying credit claims or receivables is accurate and that the underlying exposures meet the eligibility criteria, by ensuring checks on the data to be disclosed to the investors by an external entity not affected by a potential conflict of interest within the transaction.* *75. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:* *(a) requirements on the sample of the underlying exposures subject to external verification;* *(b) requirements on the party executing the verification;* *(c) scope of the verification;*	**Sample of the underlying exposures subject to external verification** 78. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, the underlying exposures that should be subject to verification prior to the issuance should be a representative sample of the provisional portfolio from which the securitised pool is extracted and which is in a reasonably final form before issuance. **Party executing the verification** 79. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, an appropriate and independent party should be deemed to be a party that meets both of the following conditions:	Independent auditors conduct an audit of a sample of the portfolio prior to the issuance of notes to confirm, among other things, pool data included in the base prospectus and final terms. The final terms includes a confirmation that the verification has occurred and which parameters, e.g. loan size, LTV, interest rate, etc., have been subject to the verification and the criteria that have been applied for determining the representative sample. See the base prospectus section "Form of final terms—Verification of data" (page 293) and the base prospectus section entitled "Listing and general information—Investor reports and information—Verification of data" (pages 411-412).

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	(d) requirement on the confirmation of the verification.	(a) it has the experience and capability to carry out the verification; (b) it is none of the following: (i) a credit rating agency; (ii) a third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402; (iii) an entity affiliated to the originator. **Scope of the verification** 80. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, the verification to be carried out based on the representative sample, applying a confidence level of at least 95%, should include both of the following: (a) verification of the compliance of the underlying exposures in the provisional portfolio with the eligibility criteria that are able to be tested prior to issuance; (b) verification of the fact that the data disclosed to investors in any formal offering document in respect of the underlying exposures is accurate. **Confirmation of the verification** 81. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, confirmation that this verification has occurred and that no significant adverse findings have been found should be disclosed.	
Liability cash flow model 22.3. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE, and shall, after pricing, make that model	*76. The objective of this criterion is to assist investors in their ability to appropriately model the cash flow waterfall of the securitisation on the liability side of the SSPE.* *77. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:* *(a) interpretation of the term 'precise' representation of the contractual relationships;*	**Precise representation of the contractual relationship** 82. For the purposes of Article 22(3) of Regulation(EU) 2017/2402, the representation of the contractual relationships between the underlying exposures and the payments flowing among the originator, sponsor, investors, other parties and the SSPE should be considered to have been done 'precisely' where it is done accurately and with an amount of detail sufficient to allow investors to model payment obligations	The base prospectus confirms that a liability cashflow model is made available to investors in accordance with the regulatory requirements and guidelines. See the base prospectus section "Listing and General Information—Investor reports and information—Liability cashflow model" (page 412). Such liability cash flow model is made available to investors prior to the pricing of any issuance of notes.

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available to investors on an ongoing basis and to potential investors upon request.	*(b) implications when the model is provided by third parties.*	of the SSPE and to price the securitisation accordingly. This may include algorithms that permit investors to model a range of different scenarios that will affect cash flows, such as different prepayment or default rates. **Third parties** 83. For the purposes of Article 22(3) of Regulation (EU) 2017/2402, where the liability cash flow model is developed by third parties, the originator or sponsor should remain responsible for making the information available to potential investors.	
Environmental performance of assets 22.4. In the case of a securitisation where the underlying exposures are residential loans or auto loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or auto loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).	*78. It should be clarified that this is a requirement of disclosure about the energy efficiency of the assets when this information is available to the originator, sponsor or SSPE, rather than a requirement for a minimum energy efficiency of the assets.* *79. To facilitate consistent interpretation of this criterion, the term 'available information related to the environmental performance' should be further clarified.*	**Available information related to the environmental performance** 84. This requirement should be applicable only if the information on the energy performance certificates for the assets financed by the underlying exposures is available to the originator, sponsor or the SSPE and captured in its internal database or IT systems. Where information is available only for a proportion of the underlying exposures, the requirement should apply only in respect of the proportion of the underlying exposures for which information is available.	The Seller will disclose certain available information related to the environmental performance of the assets. As at the date hereof, such information will include the environmental performance certificate (EPC) ratings of the properties financed by the loans included in the portfolio, where available.
Compliance with transparency requirements 22.5. The originator and the sponsor shall be responsible for compliance with Article 7. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.	*80. The objective of this criterion is to ensure that investors have access to the data that are relevant for them to carry out the necessary risk and due diligence analysis with respect to the investment decision.* *81. The criterion is deemed sufficiently clear and not requiring any further clarification.*		The base prospectus includes disclosure on compliance with Article 7. See the base prospectus section "Listing and General Information—Investor reports and information" (pages 409-411). Clause 10.9 of the funding deed of charge includes an acknowledgement by the seller of the additional reporting obligations set out in Article 7 an agreement by the servicer along with the Master Issuer, funding and the mortgages trustee that it will be responsible for compliance with the requirements of Article 7; and a covenant from the servicer along with the Master Issuer, funding and the mortgages trustee to take all such steps as are reasonably requested at the cost of Santander UK to enable it to comply with those obligations.