

26 JUNE 2019

PARAGON MORTGAGES (NO. 12) PLC
AS ISSUER

DEED POLL

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THIS DEED is made on 26 June 2019

BY:

- (1) **PARAGON MORTGAGES (NO. 12) PLC**, a company incorporated with limited liability in England and Wales with registered number 5386924 whose registered office is at 51 Homer Road, Solihull, West Midlands B91 3QJ (the "**Issuer**").

IN FAVOUR OF:

- (1) **THE CALL OPTION HOLDER** (as defined below); and
- (2) **CITICORP TRUSTEE COMPANY LIMITED**, a company incorporated in England and Wales (registered no. 235914), whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the "**Trustee**", which expression shall include such person, any Successor and all other persons for the time being acting as the trustee or trustees under the Trust Deed).

WHEREAS:

- (A) In consideration for the payment of an aggregate amount of £4,975 by the Sellers (as the current holders of the right to receive the Deferred Purchase Consideration) to the Issuer pursuant to a deed poll letter between, among others, the Sellers and the Issuer dated on or about the date of this Deed, the Issuer intends to grant to the Call Option Holder the Call Option, pursuant to which the Call Option Holder may require the Issuer to sell to the Call Option Holder or a Third Party Purchaser the legal and beneficial title to all (but not some) of the Mortgages.

NOW THIS DEED WITNESSETH AS FOLLOWS and is made by way of deed poll:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Deed, including the recitals hereto, unless there is anything in the subject or context inconsistent therewith the expressions defined in the Relevant Documents and Conditions (each as defined below) shall, unless otherwise defined in this Clause 1.1, or in the recitals above, have the same meanings in this Deed except so far as the context otherwise requires:

"**Administration Agreement**" means the administration agreement dated 20 July 2006 between, among others, the Sellers, the Administrators, the Issuer and the Trustee relating to, amongst other things, the administration of the Mortgages.

"**Administrators**" means each of PFPLC and MTS and "**Administrator**" means any of them or any successor Administrator.

"**Beneficial Title Transferee**" has the meaning given to it in Clause 2.1.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are generally open for business in London.

"**Call Option**" has the meaning given to it in Clause 2.1.

"Call Option Holder" means any holder from time to time of (i) the entirety of the right to receive the Deferred Purchase Consideration or (ii) less than the entirety of the right to receive the Deferred Purchase Consideration, provided that the Provisional Exercise Notice submitted by such holder is also signed by the holders of the right to receive all of the Deferred Purchase Consideration which is held by other holders.

"Call Option Purchase Price" means the purchase price payable by the Call Option Holder or the Third Party Purchaser, as applicable, in respect of the Portfolio Purchase, which shall be an amount equal to the aggregate of:

- (a) the GBP Equivalent of the aggregate Principal Liability Outstanding of the Notes plus accrued and unpaid interest thereon calculated as of the Settlement Date; plus
- (b) any amounts payable by the Issuer senior to the payment of Deferred Purchase Consideration in accordance with the priority of payments set out in clause 8.2 of the Deed of Charge on the Settlement Date; plus
- (c) any other reasonable fees, costs, liabilities and expenses that the Issuer expects that it may incur or that may be payable by it during the period from the Settlement Date until such time as the Issuer may be wound up or dissolved (including any reasonable fees, costs, liabilities and expenses that the Issuer expects that it may incur or that may be payable by the Issuer in connection with its winding up or dissolution); less
- (d) any amounts standing to the credit of the Transaction Account and available for application in or towards satisfaction of paragraphs (a), (b) and (c) above.

"Charged Property" has the same meaning as in the Deed of Charge.

"Collection Period" has the same meaning as in the Administration Agreement.

"Conditions" means the terms and conditions applicable to the Notes, in the form set out in the Trust Deed, as the same may from time to time be modified in accordance with the provisions of the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly.

"Deed of Charge" means the deed of sub-charge and assignment dated 20 July 2006 between, among others, the Issuer and the Trustee.

"Deferred Purchase Consideration" has the same meaning as in the Mortgage Sale Agreement.

"Determination Period" has the same meaning as in the Administration Agreement.

"Discretionary Further Advances" has the same meaning as in the Administration Agreement.

"Final Exercise Notice" means a notice substantially in the form set out in Schedule 3 (*Form of Final Exercise Notice*).

"GBP Equivalent" has the same meaning as in the Administration Agreement.

"Interest Payment Date" has the same meaning as in the Conditions, whether or not there are any Notes outstanding.

"Legal Title Holders" means PML and MTL and **"Legal Title Holder"** means any of them.

"Legal Title Transferee" has the meaning given to it in Clause 2.1.

"Mortgage Deeds" means in relation to each Mortgage:

- (a) all deeds and documents of title to the Property and associated papers received from a solicitor or licensed or qualified conveyancer including the results of any searches and enquiries and any consents to the Mortgage and, if applicable, the searches undertaken by the relevant originator;
- (b) the Mortgage and the original or a certified copy of any transfer or sub-charge thereof (and any release or discharge of such sub-charge) and any documentation relating to any other collateral security (if any) relating to such Mortgage; and
- (c) where relevant, any deed of postponement or deed of variation or deed of guarantee.

"Mortgage Sale Agreement" means the mortgage sale agreement dated 20 July 2006 between, among others, the Sellers, the Issuer and the Trustee, whereby the Issuer acquired the Mortgages, as from time to time supplemented or modified.

"Mortgages" has the same meaning as in the Mortgage Sale Agreement.

"MTL" means Mortgage Trust Limited, a company incorporated in England and Wales with registered number 2048895 whose registered office is at 51 Homer Road, Solihull, West Midlands B91 3QJ.

"MTS" means Mortgage Trust Services plc, a company incorporated in England and Wales with registered number 3940202 whose registered office is at 51 Homer Road, Solihull, West Midlands B91 3QJ.

"Noteholders" has the same meaning as in the Trust Deed.

"Notes" has the same meaning as in the Trust Deed.

"PFPLC" means Paragon Finance PLC, a company incorporated in England and Wales with registered number 1917566 whose registered office is at 51 Homer Road, Solihull, West Midlands B91 3QJ.

"PML" means Paragon Mortgages Limited, a company incorporated in England and Wales with registered number 2337854 whose registered office is at 51 Homer Road, Solihull, West Midlands B91 3QJ.

"Portfolio Purchase" means a purchase of the Mortgages by either the Call Option Holder or the Third Party Purchaser pursuant to the exercise of the Call Option.

"**Pricing Notice**" means a notice substantially in the form set out in Schedule 2 (*Form of Pricing Notice*).

"**Principal Determination Date**" has the meaning in Condition 5(a) (*Mandatory Redemption in Part from Available Redemption Funds: Apportionment of Available Redemption Funds Between the Class A Notes, the Class B Notes and the Class C Notes*).

"**Principal Ledger**" has the meaning given to it in the Administration Agreement.

"**Principal Paying Agent**" means Citibank, N.A., London office, or such other person as may for the time being be acting as principal paying agent in relation to the Notes.

"**Principal Receipts**" means in relation to a Collection Period, the amount credited (or in relation to a Determination Period, the actual amount that should have been credited) to the Principal Ledger for such Collection Period.

"**Property**" means a freehold, leasehold or commonhold property which is subject to a Mortgage.

"**Provisional Exercise Notice**" has the meaning given to it in Clause 3.1.

"**Rating Agencies**" means Fitch Ratings Limited, Moody's Investors Service Inc and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"**Relevant Authorisations**" has the meaning given to it in Clause 3.12.

"**Relevant Documents**" has the meaning given to such term in Condition 3 (*Covenants of the Issuer*).

"**Revenue Ledger**" has the same meaning as in the Administration Agreement.

"**Revenue Receipts**" means, in relation to a Collection Period, the amount credited (or in relation to a Determination Period, the actual amount that should have been credited) to the Revenue Ledger for such Collection Period.

"**Sellers**" means PML and MTS and "**Seller**" means any of them.

"**Settlement Date**" has the meaning given to it in Clause 3.1.

"**Tax Advice**" has the meaning given to it in Clause 3.12.

"**Third Party Purchaser**" means a third party purchaser of the beneficial and/or legal title to the Mortgages as nominated by the Call Option Holder.

"**Transaction Account**" has the meaning given to it in the Administration Agreement.

"**Trust Deed**" means the trust deed dated 20 July 2006 between the Issuer and the Trustee constituting the Notes, and shall include any documents expressed to be supplemental thereto.

"**Trustee**" means Citicorp Trustee Company Limited, a company incorporated in England and Wales with registered number 235914 whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, which expression includes any other person or persons from time to time acting as trustee under the Trust Deed.

"**Whole Beneficial Title**" has the meaning given to it in Clause 2.1.

"**Whole Legal Title**" has the meaning given to it in Clause 2.1.

1.2 In this Deed:

1.2.1 words denoting the singular number only shall include the plural number also and *vice versa*;

1.2.2 *words* denoting one gender only shall include the other genders; and

1.2.3 *words* denoting persons only shall include firms and corporations and *vice versa*.

1.3 All references in this Deed to "pounds", "sterling", "pounds sterling", "GBP" or the sign "£" shall be construed as references to the lawful currency of the United Kingdom.

1.4 All references in this Deed to any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such re-enactment.

1.5 Unless the context otherwise requires words or expressions contained in this Deed shall bear the same meanings as in the Companies Act 2006.

1.6 Unless the context otherwise requires, in this Deed references to Schedules, Clauses, sub-clauses, paragraphs and sub-paragraphs shall be construed as references to the Schedules to this Deed and to the Clauses, sub-clauses, paragraphs and sub-paragraphs of this Deed respectively and, unless otherwise stated, references to sub-clauses are references to sub-clauses of the Clause in which the reference appears.

1.7 References in this Deed to any action, remedy or method of judicial proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England and Wales, references to such action, remedy or method of judicial proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of judicial proceeding described or referred to in this Deed.

1.8 Any reference to and the definition of any document (including this Deed) shall be deemed to be a reference to such document as from time to time amended, supplemented, modified or replaced (in whole or in part), but disregarding any amendment, supplement, variation or replacement taking place in breach of the terms of this Deed.

1.9 Any reference in this Deed to any party or person includes any person deriving title therefrom and any of their respective successors or assigns.

2. CALL OPTION AND OTHER RIGHTS

2.1 The Issuer hereby grants the Call Option Holder the right, which may be exercised at any time (subject to the terms and conditions of this Deed), to require the Issuer:

2.1.1 to sell and transfer to the Call Option Holder or a Third Party Purchaser (as identified in the Provisional Exercise Notice) (the "**Beneficial Title Transferee**") the beneficial title to all (but not some) of the Mortgages (the "**Whole Beneficial Title**"); and

2.1.2 (if applicable) to transfer or, if, at the time the Call Option is exercised, the Issuer does not hold the legal title to all (but not some) of the Mortgages (the "**Whole Legal Title**"), to procure that the Legal Title Holders transfer, to the Call Option Holder or a Third Party Purchaser (as identified in the Provisional Exercise Notice) (the "**Legal Title Transferee**") the Whole Legal Title,

in consideration for the Call Option Purchase Price, subject to the conditions set out herein (the right set out in this Clause 2.1 shall be referred to as the "**Call Option**") and in Condition 5(d) (*Optional Redemption in Full*) of the Notes.

2.2 The Issuer undertakes to the Call Option Holder and the Trustee:

2.2.1 to use the Call Option Purchase Price to redeem all of the Notes at their Principal Liability Outstanding together with all accrued interest in accordance with Condition 5(d) (*Optional Redemption in Full*) on the Settlement Date;

2.2.2 not to exercise its right under Condition 5(d) (*Optional Redemption in Full*) to redeem the Notes in any other circumstances; and

2.2.3 not to sell Mortgages to any person other than the Call Option Holder or Third Party Purchaser except to the Sellers in accordance with the terms of the Mortgage Sale Agreement.

3. EXERCISE OF CALL OPTION

3.1 The Call Option Holder may exercise the Call Option in whole (but not in part) at any time by giving notice substantially in the form set out in Schedule 1 (*Form of Provisional Exercise Notice*) not more than 90 days nor less than 30 days prior to the Interest Payment Date on which the sale and transfer pursuant to the Call Option is to take effect (the "**Settlement Date**") to the Issuer, with a copy to the Trustee and the Legal Title Holders (such notice, a "**Provisional Exercise Notice**") that the Call Option Holder wishes to exercise the Call Option and require the Issuer to:

3.1.1 sell and transfer the Whole Beneficial Title to the Beneficial Title Transferee; and

3.1.2 if the Call Option Holder has not obtained written confirmation from each Legal Title Holder that it has agreed to hold the Whole Legal Title on trust for the Beneficial Title Transferee, transfer or, if, at the time the Call Option is exercised, the Issuer does not hold the Whole Legal Title, procure that the Legal Title Holders transfer, the Whole Legal Title to the Legal Title Transferee,

for the Call Option Purchase Price with effect on the Settlement Date.

- 3.2 The Provisional Exercise Notice shall:
- 3.2.1 specify the Settlement Date;
 - 3.2.2 specify the Beneficial Title Transferee;
 - 3.2.3 either:
 - (a) specify the identity of the Legal Title Transferee; or
 - (b) confirm that the written consent of the Legal Title Holders has been obtained to hold the Whole Legal Title on trust for the Beneficial Title Transferee, such consent to be evidenced by each Legal Title Holder countersigning the Provisional Exercise Notice; and
 - 3.2.4 request that the Issuer or PFPLC as Administrator on its behalf confirms the Call Option Purchase Price.
- 3.3 Promptly upon receipt of a Provisional Exercise Notice, the Issuer shall request PFPLC as Administrator to calculate and provide the Issuer with the Call Option Purchase Price or, where such calculation is made prior to the Principal Determination Date immediately preceding the Settlement Date, an estimate of the Call Option Purchase Price (which, for the avoidance of doubt, shall be the sum of the items specified in the definition of the Call Option Purchase Price).
- 3.4 The Issuer shall, within two Business Days of receipt of a Provisional Exercise Notice, serve on the Beneficial Title Transferee a Pricing Notice confirming the amount or, as applicable, estimated amount of the Call Option Purchase Price provided to the Issuer in accordance with Clause 3.3 above.
- 3.5 The Beneficial Title Transferee may confirm whether it wishes the Issuer to proceed with the sale of the Whole Beneficial Title and (if applicable) the transfer of the Whole Legal Title by serving a Final Exercise Notice on the Issuer, with a copy to the Trustee, within two Business Days of receipt of the Pricing Notice.
- 3.6 If no Final Exercise Notice is served within the period referred to in Clause 3.5 above, then the Provisional Exercise Notice and the Pricing Notice shall be of no further effect, but this shall not prevent the Call Option Holder from delivering any further Provisional Exercise Notice.
- 3.7 To the extent that the Beneficial Title Transferee confirms in the Final Exercise Notice that it wishes the Issuer to proceed with the sale contemplated in the Provisional Exercise Notice and the Pricing Notice, the Beneficial Title Transferee shall purchase the Whole Beneficial Title and (if applicable) the Whole Legal Title shall be transferred upon the terms set out in this Deed.
- 3.8 After receipt by the Issuer of a Final Exercise Notice duly executed by the Beneficial Title Transferee, the Issuer shall (subject to the terms of this Deed):

- 3.8.1 where the Call Option Purchase Price provided to the Beneficial Title Transferee is an estimated amount, request from PFPLC as Administrator and provide to the Beneficial Title Transferee a definitive Call Option Purchase Price (which shall be calculated as at the Principal Determination Date immediately preceding the Settlement Date);
- 3.8.2 notify the Noteholders in accordance with the Conditions, the Trustee and the Principal Paying Agent of its intention to redeem the Notes in accordance with Condition 5(d) (*Optional Redemption in Full*) on the Settlement Date; and
- 3.8.3 take any and all reasonable steps necessary to effect the sale of the Whole Beneficial Title and (if applicable) the transfer of the Whole Legal Title to the Legal Title Transferee as set out in Clause 3.1 above.
- 3.9 The Issuer and the parties specified in the Provisional Exercise Notice shall enter into a binding agreement in accordance with the Law of Property (Miscellaneous Provisions) Act 1989 if required to do so by the Call Option Holder in order to give effect to the sale referred to in this Deed.
- 3.10 The parties hereto acknowledge that neither any Seller nor the Legal Title Holders shall be required to provide any representations or warranties in relation to the Mortgages save that where at the time of the exercise of the Call Option the Issuer does not hold the Whole Legal Title, the Issuer shall procure that the holder of the Legal Title represents and warrants on the Settlement Date for the benefit of the Beneficial Title Transferee that it has not transferred the Legal Title in the Mortgages or created any encumbrance in respect of the Mortgages (other than the Security) prior to the Settlement Date. The Issuer shall only provide the representations and warranties set out in Clause 10 (*Issuer Representations and Warranties*) hereto in relation to the sale of the Mortgages pursuant to this Deed.
- 3.11 Following delivery of the Final Exercise Notice or as applicable (where the Call Option Purchase Price provided to the Beneficial Title Transferee is an estimated amount) the confirmation of a definitive Call Option Purchase Price by the Issuer (or PFPLC as Administrator on its behalf), the Beneficial Title Transferee will agree with the Issuer:
- 3.11.1 either:
- (a) to deposit an amount equal to the Call Option Purchase Price in the Transaction Account; or
 - (b) to provide irrevocable payment instructions for an amount to be transferred equal to the Call Option Purchase Price for value on the Settlement Date to the Transaction Account,

provided that such deposit shall be made or irrevocable payment instructions shall be given no later than (i) the Settlement Date or (ii) such other date as the Issuer (acting at its sole discretion), the Beneficial Title Transferee and the Call Option Holder may agree, provided further that such deposit shall be made or irrevocable payment instructions shall be given (as applicable) in sufficient time to enable the Issuer to fully repay the Notes and any accrued interest pursuant to Condition 5(d) (*Optional Redemption in Full*); and/or

3.11.2 to take any other action as may be agreed by the Beneficial Title Transferee, the Issuer and the Trustee in relation to the payment of the Call Option Purchase Price.

3.12 The sale of the Whole Beneficial Title and (if applicable) the transfer of the Whole Legal Title pursuant to the Call Option shall also be subject to the following conditions:

3.12.1 either:

- (a) the Beneficial Title Transferee and (if applicable) the Legal Title Transferee are:
 - (i) resident in the United Kingdom for tax purposes; or
 - (ii) not so resident in, but carrying on a trade through a permanent establishment in, the United Kingdom and required to bring any amounts received in respect of the Mortgages into account in calculating its chargeable profits (within the meaning given by section 19 of the Corporation Tax Act 2009); or
- (b) the Issuer, having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in the form and substance satisfactory to it (acting reasonably), or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HM Revenue and Customs) ("**Tax Advice**") (with all costs incurred in obtaining such Tax Advice to be borne by the Call Option Holder), is satisfied that sale of the Whole Beneficial Title and (if applicable) transfer of the Whole Legal Title will not create or increase any liabilities of the Issuer to United Kingdom tax or any tax imposed by the jurisdiction of the Beneficial Title Transferee and (if applicable) the Legal Title Transferee;

3.12.2 either:

- (a) the Legal Title Transferee has all the appropriate licences, approvals, authorisations, consents, permissions and registrations (including any authorisation, licence, approval or consent under the Financial Services and Markets Act 2000 and any rules and regulations of the FCA) required to administer mortgage loans such as the Mortgages (the "**Relevant Authorisations**"); or
- (b) the Beneficial Title Transferee has appointed an administrator who has the Relevant Authorisations and that the Legal Title Holders have confirmed in writing that they will hold legal title to the Mortgages on trust for Beneficial Title Transferee; and

3.12.3 the Beneficial Title Transferee shall not be permitted to transfer the beneficial interest in any of the Mortgages to a further purchaser until the transfer of the Whole Legal Title is no longer held by the Legal Title Holders unless such transfer of such beneficial interest is made to an entity which is within the

charge to United Kingdom corporation tax as regards any payment relating to the Mortgages.

- 3.13 The Call Option Purchase Price will be deposited to the Transaction Account, credited to the relevant ledger or ledgers and applied in accordance with the relevant priority of payments, in each case, on the Settlement Date.

4. SALE AND COMPLETION

4.1 On the Settlement Date:

4.1.1 the Beneficial Title Transferee shall purchase and the Issuer shall sell the Whole Beneficial Title to the Beneficial Title Transferee; and

4.1.2 (if applicable) the Issuer shall (a) transfer; or (b) if, at the time the Call Option is exercised, the Issuer does not hold the Whole Legal Title, procure that each Legal Title Holder transfers, the Whole Legal Title to the Legal Title Transferee,

in consideration for the Call Option Purchase Price.

- 4.2 On completion of the sale referred to in Clause 4.1, the Issuer shall deliver, or procure the delivery, to the Beneficial Title Transferee or as the Beneficial Title Transferee may direct of:

4.2.1 all accounts, books and records which show all transactions, payments, receipts and proceedings; and

4.2.2 the Mortgage Deeds,

in respect of the Mortgages, subject to and in accordance with applicable law.

- 4.3 At the cost of the Call Option Holder, the Issuer shall serve or, if, at the time the Call Option is exercised, the Issuer does not hold the Whole Legal Title, direct the Legal Title Holders to serve all relevant notices and take all steps (including carrying out requisite registrations and recordings) in order to effectively vest the Whole Legal Title in the Legal Title Transferee and to ensure that payments in respect of the Mortgages are made to the Beneficial Title Transferee or as the Beneficial Title Transferee may direct, in each case subject to the terms and conditions set out in this Deed Poll, such notices to be given promptly after the Settlement Date.

- 4.4 Any Principal Receipts and Revenue Receipts received by the Issuer during the period from but excluding the Principal Determination Date immediately prior to the Settlement Date to and including the Settlement Date will be payable to or for the account of the Beneficial Title Transferee and the Issuer shall transfer all such amounts to or for the account of the Beneficial Title Transferee on or after the Settlement Date.

- 4.5 If at any time after completion the Issuer or any person acting as its agent or on its behalf holds, or there is held to its order, or there is received to its order, any property, interest, right or benefit and/or the proceeds thereof in relation to the Mortgages, the Issuer will, as soon as reasonably practicable, remit, assign or transfer, as the case may require, the same to the Beneficial Title Transferee and until such remittance, assignment or transfer is completed will hold that property, interest, right or benefit

and/or the proceeds thereof upon trust for the Beneficial Title Transferee as the absolute beneficial owner thereof.

5. **BENEFIT**

This Deed shall take effect as a Deed Poll for the benefit of the Call Option Holder. This Deed shall be held by the Issuer until all the obligations of the Issuer under this Deed have been discharged in full.

6. **VAT**

6.1 Any sum (or other consideration) payable (or provided) by any person (other than the Issuer) pursuant to this Deed shall be deemed to be exclusive of any VAT chargeable on any supply or supplies for which that sum (or other consideration) is the consideration (in whole or in part) for VAT purposes and any sum (or other consideration) payable (or provided) by the Issuer pursuant to this Deed shall be deemed to be inclusive of any VAT chargeable on any supply or supplies for which that sum (or other consideration) is the consideration (in whole or in part) for VAT purposes and section 89 of the Value Added Tax Act 1994 shall not apply to affect the amount of such sum (or other consideration) payable (or provided) by the Issuer.

6.2 Where, pursuant to the terms of this Deed, any person (the "**Supplier**") makes a supply to any other person (other than the Issuer) (the "**Recipient**") for VAT purposes and VAT is or becomes chargeable on such supply, the Recipient shall, subject to the receipt of a valid VAT invoice in respect of such supply, pay to the Supplier (in addition to and at the same time as any other consideration for such supply) a sum equal to the amount of such VAT.

7. **STAMP TAXES**

7.1 Subject to Clause 7.2, the Issuer will pay any stamp tax and other similar transfer duties and taxes, including interest and penalties, payable on the execution of this Deed.

7.2 Any stamp duty, stamp duty reserve tax, stamp duty land tax or land and buildings transactions tax (together, in each case, with any interest or penalties) payable on or in connection with the transfer of the Mortgages pursuant to a Provisional Exercise Notice shall be for the account of the Beneficial Title Transferee.

8. **FURTHER ASSURANCE**

Notwithstanding completion of the sale and purchase of the Whole Beneficial Title and (if applicable) the transfer of the Whole Legal Title, the Issuer will and will procure that the Legal Title Holders will, from time to time execute all reasonable documents, do all reasonable acts and things and give all reasonable further assurances, and will afford such reasonable assistance as the Beneficial Title Transferee may reasonably request and as may be reasonably necessary or expedient, effectively to vest, and ensure that there is and remains vested in (a) the Beneficial Title Transferee, the Whole Beneficial Title, and (if applicable) (b) the Legal Title Transferee, the Whole Legal Title, and to give to the Beneficial Title Transferee and (if applicable) the Legal Title Transferee, or enable the Beneficial Title Transferee and (if applicable) the Legal Title Transferee to receive, the full benefit of any such transfer of the Whole Beneficial Title

and the Whole Legal Title (as the case may be) (including, without limitation, the execution by the Legal Title Holders of powers of attorney, substantially in the form set out in, in the case of PML, Part A (*Paragon Mortgages Limited Power of Attorney*) of Schedule 5 (*Power of Attorney*) to the Mortgage Sale Agreement or, in the case of MTL, Part B (*Mortgage Trust Limited Power of Attorney*) of Schedule 5 (*Power of Attorney*) to the Mortgage Sale Agreement).

9. **ADMINISTRATOR INFORMATION**

The Issuer shall use reasonable endeavours to procure that each Administrator shall provide the Call Option Holder with any information provided by the Issuer to Noteholders and any other information it reasonably requests from time to time in respect to the Mortgages which it has in its possession and is reasonably available to it but only: (a) to the extent that such information is reasonably requested by the Call Option Holder in connection with the exercise or possible exercise of its rights under this Deed; and (b) subject always to any requirements of any data protection and privacy laws and regulations in effect in the United Kingdom being met to the reasonable satisfaction of the relevant Administrator.

10. **ISSUER REPRESENTATIONS AND WARRANTIES**

By agreeing to sell and transfer the Whole Beneficial Title and (if applicable) transfer the Whole Legal Title, the Issuer shall be deemed to represent and warrant to the Beneficial Title Transferee on the Settlement Date that:

- 10.1.1 immediately prior to the completion of the sale of the Whole Beneficial Title, the Issuer was the beneficial title holder of the Mortgages to be sold to the Beneficial Title Transferee pursuant to this Deed;
- 10.1.2 (if applicable) immediately prior to the transfer of the Whole Legal Title:
 - (a) the Issuer was the legal title holder of the Mortgages to be transferred to the Legal Title Transferee pursuant to this Deed; or
 - (b) if, at the time the Call Option is exercised, the Issuer does not hold the Whole Legal Title, the holder of the right to direct the Legal Title Holders to transfer the legal title to the Mortgages to it, subject to the provisions of the Mortgage Sale Agreement;
- 10.1.3 on the Settlement Date, the Mortgages to be purchased by the Beneficial Title Transferee will not be encumbered in any way (including by the Charged Property) other than Discretionary Further Advances funded in accordance with clause 8.1.2 of the Administration Agreement or clause 11.2(c) of the Deed of Charge; and
- 10.1.4 all formal approvals, consents and other steps binding on the Issuer necessary to permit a legal assignment of the Whole Beneficial Title and the Whole Legal Title to be transferred pursuant to this Deed have or will have, as at the Settlement Date, been obtained or taken.

11. **THIRD PARTY RIGHTS**

- 11.1 Save as set out in Clause 11.2 below, a person who is not a party to this Deed may not rely upon it and the terms of the Contracts (Rights of Third Parties) Act 1999 are excluded.
- 11.2 Notwithstanding Clause 11.1 above, the Call Option Holder may rely upon the terms of this Deed Poll.

12. **GOVERNING LAW**

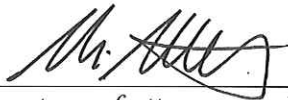
This Deed and any non-contractual obligations arising out of or in respect of it is governed by, and shall be construed in accordance with, the laws of England.

13. **JURISDICTION**

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (a "**Dispute**") including a Dispute regarding the existence, validity or termination of this Deed or relating to any non-contractual or other obligation or matter arising out of or in connection with this Deed or the consequences of its nullity.

IN WITNESS WHEREOF this Deed has been entered into as a deed poll by the Issuer.
EXECUTED

~~SIGNED~~ as a **DEED** by)
an attorney for)
PARAGON MORTGAGES)
(NO. 12) PLC)
acting by a director




Signature of attorney **director**

KEITH ALLEN

Name of attorney **director**

in the presence of:



Signature of witness

ANDREW KITCHING

Name of witness

51 HOMER LEAN

Address of witness

SOUTHILL B41 3QJ

SCHEDULE 1
FORM OF PROVISIONAL EXERCISE NOTICE

[On letterhead of the Call Option Holder]

To: **Paragon Mortgages (No. 12) PLC**
51 Homer Road
Solihull
West Midlands B91 3QJ (the "Issuer")

Copy to: **Citicorp Trustee Company Limited** (the "Trustee")
Paragon Mortgages Limited (a "Legal Title Holder")
Mortgage Trust Limited (a "Legal Title Holder")
Fitch Ratings Limited
Moody's Investors Service Inc
Standard & Poor's Ratings Services
[Beneficial Title Transferee]
[Legal Title Transferee]

[Date]

Dear Sirs

Exercise of Call Option

We refer to the deed poll dated [•] entered into by the Issuer in relation to the optional purchase of a portfolio of mortgage loans (the "**Deed Poll**"). Capitalised terms used in this letter have the meanings set out in the Deed Poll.

We hereby certify that we are the Call Option Holder and are entitled to exercise the Call Option by delivering this Provisional Exercise Notice.

We hereby notify you of our intention to exercise the Call Option. We hereby notify you that, pursuant to the terms of the Deed Poll:

- (a) the Settlement Date shall be [•];
- (b) the Beneficial Title Transferee shall be [•] and
- (c) [the Legal Title Transferee shall be [•]] [each Legal Title Holder has confirmed that it has agreed to hold the Whole Legal Title on trust for the Beneficial Title Transferee],

and accordingly, we require you, on the Settlement Date, to:

- (d) transfer the Whole Beneficial Title in the Mortgages to the Beneficial Title Transferee[; and
- (e) [transfer the Whole Legal Title in the Mortgages to the Legal Title Transferee] / [procure that the Legal Title Holders transfer the Whole Legal Title in the Mortgages to the Legal Title Transferee.]]

Please confirm to us within [2] Business Days of the receipt of this Provisional Exercise Notice (i) that you will be able to effect the sale and purchase of the Whole Beneficial Title [and the transfer of the Whole Legal Title] in the Mortgages on the Settlement Date subject to and in accordance with the Deed Poll and (ii) the Call Option Purchase Price payable by us to the Issuer.

For the avoidance of doubt this Provisional Exercise Notice does not constitute and is not to be construed as an agreement by us to acquire the Whole Beneficial Title and the Whole Legal Title. You acknowledge that unless [we][the Beneficial Title Transferee] agree to purchase such Whole Beneficial Title [and [we][the Legal Title Transferee] accept the transfer of the Whole Legal Title] to the Mortgages by delivering a Final Exercise Notice, [we][the Beneficial Title Transferee][and the Legal Title Transferee] may in [our][their] sole discretion decline and not accept to purchase the Whole Beneficial Title [and accept the transfer of the Whole Legal Title].

We confirm [we][the Beneficial Title Transferee][and the Legal Title Transferee] [are][is] resident for tax purposes in the United Kingdom.

We confirm that [the Legal Title Transferee has all the Relevant Authorisations][[we][the Beneficial Title Transferee] has appointed [•] as the administrator of the Mortgages and [•] has all the Relevant Authorisations].

We attach to this Provisional Exercise Notice proof of our holding of the right to receive the Deferred Purchase Consideration dated the date hereof.

Yours faithfully

[Call Option Holder]

[We, Mortgage Trust Limited and Paragon Mortgages Limited (the "**Legal Title Holders**") hereby confirm that we agree to hold the Whole Legal Title to the Mortgages on trust for the Beneficial Title Transferee on and from the Settlement Date.

Countersigned by Mortgage Trust Limited

By: _____

Countersigned by Paragon Mortgages Limited

By: _____]

SCHEDULE TO THE PROVISIONAL EXERCISE NOTICE

*[Proof of holding of the right to receive the Deferred Purchase Consideration dated the date
of the Provisional Exercise Notice]*

**SCHEDULE 2
FORM OF PRICING NOTICE**

To: Call Option Holder
[Beneficial Title Transferee]

Copy to: **Mortgage Trust Limited** (a "Legal Title Holder")
Paragon Mortgages Limited (a "Seller" and a "Legal Title Holder");
Mortgage Trust Services PLC (a "Seller");
Citicorp Trustee Company Limited (the "Trustee");
[**Paragon Finance PLC** (an "Administrator")]; and
[Legal Title Transferee]

[Date]

Dear Sirs,

We confirm receipt of your notice dated [•] (the "**Provisional Exercise Notice**") in relation to the sale and purchase of the Whole Beneficial Title [and the transfer of the Whole Legal Title] pursuant to the deed poll made by us on or about [•] 2019 (the "**Deed Poll**"). This is a Pricing Notice referred to in the Clause 3.4 of the Deed Poll.

Capitalised terms that are used but not defined herein shall have the meanings as are ascribed to them in the Deed Poll or as incorporated by reference into the Deed Poll or to the extent not defined in (or incorporated by reference into) the Deed Poll in the Provisional Exercise Notice.

We hereby confirm in accordance with the Provisional Exercise Notice and Clause 3.4 of the Deed Poll:

- (a) that the [estimated] Call Option Purchase Price on the Settlement Date shall be £[•];
- (b) our agreement to transfer Whole Beneficial Title in the Mortgages to you; [and
- (c) our agreement to [transfer the Whole Legal Title in the Mortgages to [you][the Legal Title Transferee]]/[procure that the Legal Title Holders transfer Whole Legal Title in the Mortgages to [you][the Legal Title Transferee]]].

Please confirm on behalf of yourself that you are willing to proceed with the purchase of the Whole Beneficial Title [and the transfer of the Whole Legal Title] upon the terms set out in this Pricing Notice, the Final Exercise Notice and the Deed Poll by returning to us a duly signed Final Exercise Notice within [one] Business Day of receipt of this Pricing Notice. If we do not receive a Final Exercise Notice within the above prescribed time period we shall treat the Provisional Exercise Notice served on us as having no further effect.

Signed by:

For and on behalf of

PARAGON MORTGAGES (NO. 12) PLC

SCHEDULE 3
FORM OF FINAL EXERCISE NOTICE

To: **Paragon Mortgages (No. 12) PLC**
51 Homer Road
Solihull
West Midlands B91 3QJ (the "Issuer")

Copy to: **Mortgage Trust Limited** (a "Legal Title Holder")
Paragon Mortgages Limited (a "Seller" and a "Legal Title Holder");
Mortgage Trust Services PLC (a "Seller");
Citicorp Trustee Company Limited (the "Trustee");
[Paragon Finance PLC (an "Administrator"); and
[Legal Title Transferee]

[Date]

Dear Sirs,

We confirm receipt of your notice dated [•] (the "**Pricing Notice**") in relation to the sale and purchase of the Whole Beneficial Title [and the transfer of the Whole Legal Title] pursuant to the deed poll made by you on or about [•] 2019 (the "**Deed Poll**"). This is a Final Exercise Notice referred to in Clause 3.5 of the Deed Poll.

Capitalised terms that are used but not defined herein shall have the meanings as are ascribed to them in the Deed Poll or as incorporated by reference into the Deed Poll or to the extent not defined in (or incorporated by reference into) the Deed Poll in the Provisional Exercise Notice.

We hereby confirm that we are willing to proceed with the purchase of the Whole Beneficial Title [and the transfer of the Whole Legal Title] upon the terms set out in the Provisional Exercise Notice, Pricing Notice and the Deed Poll.

The [estimated] Call Option Purchase Price payable by us on the Settlement Date is £[•].

[Subject to you providing a definitive Call Option Purchase Price as soon as reasonably practicable after the receipt of this notice,] [the/The] execution by us of this Final Exercise Notice shall constitute a binding agreement pursuant to which you agree to sell and the Beneficial Title Transferee agrees to purchase the Whole Beneficial Title in the Mortgages [and you agree to transfer the Whole Legal Title to the Legal Title Transferee].

Call Option Holder

SIGNED by

for and on behalf of

[insert name of Call Option Holder]

[Beneficial Title Transferee:

SIGNED by

for and on behalf of

[insert name of Beneficial Title Transferee]

[insert name of Beneficial Title Transferee]]