

30 APRIL 2020

PARAGON BANK PLC
AS PB
CITICORP TRUSTEE COMPANY LIMITED
AS THE TRUSTEE
AND
PARAGON MORTGAGES (NO.27) PLC
AS ISSUER

RISK RETENTION DEED OF COVENANT

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THIS DEED OF COVENANT is made on 30 April 2020

BY:

- (1) **PARAGON BANK PLC** (registered number 05390593) whose registered office is at 51 Homer Road, Solihull, West Midlands B91 3QJ ("**PB**");

IN FAVOUR OF:

- (2) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (in its capacity as the trustee, the "**Trustee**", which expression shall include such person and all other persons for the time being acting as the trustee or trustees under the Trust Deed); and
- (3) **PARAGON MORTGAGES (NO.27) PLC**, a company incorporated with limited liability in England and Wales with registered number 12438682 whose registered office is at 51 Homer Street, Solihull, West Midlands B91 3QJ (the "**Issuer**").

WHEREAS:

- (A) The Issuer on the date of this Deed will issue the Notes in order to fund the purchase of the Mortgages from Paragon Mortgages (2010) Limited and PB (each in its capacity as Seller).
- (B) PB is willing to give certain covenants in favour of the Issuer and the Trustee.

NOW THIS DEED OF COVENANT witnesses as follows:

1. INTERPRETATION

- 1.1 For the purposes of this Deed the expressions defined in the administration agreement dated on or about the date of this Deed (the "**Administration Agreement**") between the Issuer, Paragon Mortgages (2010) Limited (in its capacity as Seller and Administrator), Paragon Bank PLC (in its capacity as Seller and Administrator) and the Trustee shall, unless otherwise defined herein, have the same meaning in this Deed.
- 1.2 The headings and contents pages in this Deed shall not affect its interpretation. References in this Deed to Clauses are, unless the context otherwise requires, references to clauses of this Deed.
- 1.3 Unless the context otherwise requires, words denoting the singular number only shall include the plural number also and vice versa, words denoting one gender only shall include the other genders and words denoting persons only shall include firms and corporations and vice versa.
- 1.4 References in this Deed to any person shall include references to his successors, transferees and assigns and any person deriving title under or through him. References in this Deed to any statute or statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof and to any statutory instruments, orders or regulations made thereunder or under any such re-enactment.

1.5 References in this Deed to any agreement or other document shall be deemed also to refer to such agreement or document as modified, novated, supplemented or replaced from time to time.

2. COVENANTS BY PB

2.1 PB as originator covenants to the Issuer and the Trustee (on behalf of itself and the Noteholders) that it will, whilst any of the Notes remain outstanding, retain on an ongoing basis a material net economic interest of not less than 5 per cent. in the nominal value of the securitisation as required by Article 6 of Regulation (EU) No.2017/2402 (as amended) (the "**Securitisation Regulation**") (which does not take into account any corresponding national measures).

2.2 PB as originator covenants to the Issuer and the Trustee (on behalf of itself and the Noteholders) that it will, at all relevant times comply with the obligations of Article 7(1)(e)(iii) of the Securitisation Regulation by confirming the risk retention of PB as contemplated by Article 6(3)(a) of the Securitisation Regulation.

3. ARTICLE 5 INFORMATION REQUESTS

3.1 Upon receipt by PB of any Article 5 Information Request provided to it by the Trustee in accordance with clause 23 (*Article 5 Information Requests*) of the Trust Deed:

- (a) PB shall send an acknowledgement of receipt of the Article 5 Information Request using the contact information provided therein with 3 Business Days of such receipt;
- (b) PB shall consider the Article 5 Information Request in good faith;
- (c) in considering the Article 5 Information Request, PB may, at its option:
 - (i) request further clarification or information from the relevant Noteholder that PB reasonably considers necessary or desirable for the purposes of determining the nature of Article 5 Information requested or making any evaluation referred to in Paragraph (d) below;
 - (ii) request that the relevant Noteholder undertake to pre-fund or indemnify PB in respect of any reasonable and duly documented costs or expenses that it incurs in the course of obtaining the requested Article 5 Information or making any evaluation referred to in paragraph (d) below;
or
- (d) PB shall, within 5 Business Days of acknowledging receipt of such request, or receiving the response from the investor in accordance with Clause 3.1(c)(i), respond to the relevant Noteholder either (i) providing that Article 5 Information requested or (ii) providing an explanation as to why, in the view of PB acting in good faith, such Article 5 Information should not be provided or the provision of such information is not necessary; and
- (e) PB shall not be liable in respect of communications sent by it that are not received due to circumstances beyond its control, or due to incorrect information being included in any Article 5 Information Request.

4. **NOTIFICATION**

PB agrees to notify the Issuer and the Trustee in writing of any breach of their respective covenants contained in this Deed as soon as reasonably practicable after it becomes aware of it.

5. **NOTICES**

The provisions of Clause 25 (*Notices*) of the Administration Agreement shall, *mutatis mutandis*, apply to this Deed and the giving of notices pursuant hereto.

6. **THE TRUSTEE**

In the event that there is any change in the identity of the Trustee in accordance with the Trust Deed, the retiring Trustee, PB and the Issuer shall execute such documents and take such actions as such new Trustee may reasonably require for the purpose of vesting in such Trustee the rights of the Trustee under this Deed and, if so determined by the new Trustee, releasing the retiring Trustee from further obligations hereunder.

7. **EXCLUSION OF THIRD PARTY RIGHTS**

The parties to this Deed do not intend that any term of this Deed should be enforced, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Deed.


8. **GOVERNING LAW**

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

8.2 The courts of England are to have jurisdiction to settle any disputes arising out of or in connection with this Deed. This submission is irrevocable and for the exclusive benefit of the Issuer and the Trustee. It does not prevent proceedings being commenced by the Issuer and the Trustee in the courts of any other country or, subject to applicable law, in the courts of more than one country at the same time. PB and the Issuer irrevocably waive any objection, on the ground of *forum non conveniens* or on any other ground, to proceedings in the courts of England and irrevocably agree that a judgement in any proceedings brought in the courts of England will be conclusive and binding on each of them and may be enforced in any other court.

IN WITNESS WHEREOF the parties to this Deed have caused this Deed to be executed as a deed the day and year first above mentioned.

Executed by:
as its deed as follows:
Signed for and on its behalf by one
of its duly authorised attorneys

Signature: 

PARAGON BANK PLC


By:

Name: Jimmy Giles

Title: Attorney

Witness Name: Julia Gilbride

Occupation: Securitisation Officer

Address: 51 Homer Road, Solihull,

West Midlands, B91 3QJ

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Executed by:
CITICORP TRUSTEE COMPANY
LIMITED as a deed

Signed for and on its behalf by one of its duly
authorised attorneys

Signature:

Name:

Title: Attorney

Witness:

Name:

Occupation:

Address:

.....

.....

IN WITNESS WHEREOF the parties to this Deed have caused this Deed to be executed as a deed the day and year first above mentioned.

Executed by:
as its deed as follows:
Signed for and on its behalf by one
of its duly authorised attorneys

PARAGON BANK PLC

By:

Signature:

Name:

Title: Attorney

Witness Name:

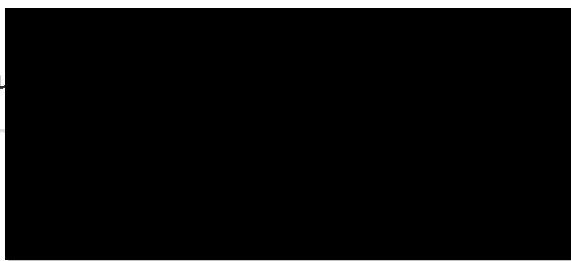
Occupation:

Address:

.....

.....

Executed by:
CITICORP TRUSTEE COMPANY
LIMITED as a deed
Signed for and on its behalf by one of its duly
authorised attorneys



Signature:

Name:

Title: Attorney
.....
.....

Andrea Meucci
Vice President

Witness:

Name: VIOLA TRIPPA

Occupation: BANK MANAGER

Address:

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Citibank, N.A.
Citigroup Centre
33 Canada Square
Canary Wharf
London E14 5LB

Executed by:
as its deed as follows:
Signed for and on its behalf by two
of its directors

PARAGON MORTGAGES (NO.27) PLC

An authorised representative of MaplesFS UK
Corporate Director No. 1 Limited, as Director

Name: [REDACTED] Jennifer Jones

An authorised representative of MaplesFS UK
Corporate Director No.2 Limited, as Director

Name: [REDACTED] Charles Leahy