

(Multicurrency — Cross Border)

ISDA[®]

International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of 11 November 2020

LLOYDS BANK CORPORATE MARKETS PLC PARAGON MORTGAGES (NO.28) PLC
..... and

have entered and/or anticipate entering into one or more transactions (each a “Transaction”) that are or will be governed by this Master Agreement, which includes the schedule (the “Schedule”), and the documents and other confirming evidence (each a “Confirmation”) exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows: —

1. Interpretation

- (a) **Definitions.** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this “Agreement”), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

- (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
- (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
- (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable:—

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) **Deduction or Withholding for Tax.**

(i) **Gross-Up.** All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:—

- (1) promptly notify the other party ("Y") of such requirement;
- (2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and
- (4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:—
 - (A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or
 - (B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

(ii) **Liability.** If: —

- (1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);
- (2) X does not so deduct or withhold; and
- (3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

(e) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement) that:—

(a) **Basic Representations.**

- (i) **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;
- (ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;
- (iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and
- (v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) **Payer Tax Representation.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) **Payee Tax Representations.** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) **Furnish Specified Information.** It will deliver to the other party or, in certain cases under subparagraph (iii) below, to such government or taxing authority as the other party reasonably directs:—

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorisations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) **Tax Agreement.** It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) **Payment of Stamp Tax.** Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated,

organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located (“Stamp Tax Jurisdiction”) and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party’s execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an “Event of Default”) with respect to such party:—

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(e) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation (other than a representation under Section 3(e) or (f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If “Cross Default” is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however

described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party: —

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer: —

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below or a Tax Event Upon Merger if the event is specified in (iii) below, and, if specified to be applicable, a Credit Event

Upon Merger if the event is specified pursuant to (iv) below or an Additional Termination Event if the event is specified pursuant to (v) below:—

- (i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party): —
- (1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or
 - (2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;
- (ii) **Tax Event.** Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, the party (which will be the Affected Party) will, or there is a substantial likelihood that it will, on the next succeeding Scheduled Payment Date (1) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));
- (iii) **Tax Event Upon Merger.** The party (the “Burdened Party”) on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such action does not constitute an event described in Section 5(a)(viii);
- (iv) **Credit Event Upon Merger.** If “Credit Event Upon Merger” is specified in the Schedule as applying to the party, such party (“X”), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or
- (v) **Additional Termination Event.** If any “Additional Termination Event” is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).
- (c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the “Defaulting Party”) has occurred and is then continuing, the other party (the “Non-defaulting Party”) may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, “Automatic Early Termination” is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) **Right to Terminate Following Termination Event.**

(i) **Notice.** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) **Transfer to Avoid Termination Event.** If either an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party’s policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) **Two Affected Parties.** If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iv) **Right to Terminate.** If: —

(1) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality under Section 5(b)(i)(2), a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

either party in the case of an Illegality, the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then

continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(e) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) ***Calculations.***

(i) ***Statement.*** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) ***Payment Date.*** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment) in the Termination Currency, from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) ***Payments on Early Termination.*** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) ***Events of Default.*** If the Early Termination Date results from an Event of Default: —

(1) ***First Method and Market Quotation.*** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party.

(2) ***First Method and Loss.*** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) ***Second Method and Market Quotation.*** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the

Non-defaulting Party) in respect of the Terminated Transactions and the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss.* If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) **Termination Events.** If the Early Termination Date results from a Termination Event: —

(1) *One Affected Party.* If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties.* If there are two Affected Parties: —

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (II) the Termination Currency Equivalent of the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) **Adjustment for Bankruptcy.** In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) **Pre-Estimate.** The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Subject to Section 6(b)(ii), neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that: —

- (a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and
- (b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Contractual Currency

(a) **Payment in the Contractual Currency.** Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the “Contractual Currency”). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) **Judgments.** To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party. The term “rate of exchange” includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) **Separate Indemnities.** To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) **Evidence of Loss.** For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

9. Miscellaneous

- (a) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
- (b) **Amendments.** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.
- (c) **Survival of Obligations.** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.
- (d) **Remedies Cumulative.** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- (e) **Counterparts and Confirmations.**
- (i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.
- (ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.
- (f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
- (g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

10. Offices; Multibranch Parties

- (a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to the other party that, notwithstanding the place of booking office or jurisdiction of incorporation or organisation of such party, the obligations of such party are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by such party on each date on which a Transaction is entered into.
- (b) Neither party may change the Office through which it makes and receives payments or deliveries for the purpose of a Transaction without the prior written consent of the other party.
- (c) If a party is specified as a Multibranch Party in the Schedule, such Multibranch Party may make and receive payments or deliveries under any Transaction through any Office listed in the Schedule, and the Office through which it makes and receives payments or deliveries with respect to a Transaction will be specified in the relevant Confirmation.

11. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document

to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

12. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

13. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:—

- (i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and
- (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) **Service of Process.** Each party irrevocably appoints the Process Agent (if any) specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any

reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

14. Definitions

As used in this Agreement:—

“Additional Termination Event” has the meaning specified in Section 5(b).

“Affected Party” has the meaning specified in Section 5(b).

“Affected Transactions” means (a) with respect to any Termination Event consisting of an Illegality, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

“Affiliate” means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person.

“Applicable Rate” means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

“Burdened Party” has the meaning specified in Section 5(b).

“Change in Tax Law” means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Transaction is entered into.

“consent” includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

“Credit Event Upon Merger” has the meaning specified in Section 5(b).

“Credit Support Document” means any agreement or instrument that is specified as such in this Agreement.

“Credit Support Provider” has the meaning specified in the Schedule.

“Default Rate” means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

“Defaulting Party” has the meaning specified in Section 6(a).

“Early Termination Date” means the date determined in accordance with Section 6(a) or 6(b)(iv).

“Event of Default” has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

“Illegality” has the meaning specified in Section 5(b).

“Indemnifiable Tax” means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organised, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

“law” includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and **“lawful”** and **“unlawful”** will be construed accordingly.

“Local Business Day” means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

“Loss” means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, the Termination Currency Equivalent of an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party’s legal fees and out-of-pocket expenses referred to under Section 11. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

“Market Quotation” means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the “Replacement Transaction”) that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have

been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

“Non-default Rate” means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

“Non-defaulting Party” has the meaning specified in Section 6(a).

“Office” means a branch or office of a party, which may be such party’s head or home office.

“Potential Event of Default” means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Reference Market-makers” means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

“Relevant Jurisdiction” means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organised, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

“Scheduled Payment Date” means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

“Set-off” means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

“Settlement Amount” means, with respect to a party and any Early Termination Date, the sum of: —

(a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party’s Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

“Specified Entity” has the meanings specified in the Schedule.

“Specified Indebtedness” means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

“Specified Transaction” means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

“Stamp Tax” means any stamp, registration, documentation or similar tax.

“Tax” means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

“Tax Event” has the meaning specified in Section 5(b).

“Tax Event Upon Merger” has the meaning specified in Section 5(b).

“Terminated Transactions” means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if “Automatic Early Termination” applies, immediately before that Early Termination Date).

“Termination Currency” has the meaning specified in the Schedule.

“Termination Currency Equivalent” means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the “Other Currency”), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Market Quotation or Loss (as the case may be), is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

“Termination Event” means an Illegality, a Tax Event or a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

“Termination Rate” means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

“Unpaid Amounts” owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.


IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

LLOYDS BANK CORPORATE MARKETS PLC

PARAGON MORTGAGES (NO.28) PLC

(Name of Party)

(Name of Party)

By:
Name: 
Title:
Date: 11 November 2020

By:
Name:
Title:
Date:

By:
Name:
Title:
Date:

By:
Name:
Title:
Date:

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

LLOYDS BANK CORPORATE MARKETS PLC
.....
(Name of Party)

PARAGON MORTGAGES (NO.28) PLC
.....
(Name of Party)

By:
Name:
Title:
Date:

By: [Redacted]
Name: [Redacted]
Title: Authorised signatory of MaplesFS UK Corporate Di
Date: 11 November 2020

By:
Name:
Title:
Date:

By: [Redacted]
Name: [Redacted]
Title: Authorised signatory of MaplesFS UK Corporate D
Date: 11 November 2020

SCHEDULE TO THE MASTER AGREEMENT

in relation to the

Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class Z Notes, Class S Notes
and Class S VFN

dated as of

11 November 2020

between

- (1) **LLOYDS BANK CORPORATE MARKETS PLC ("Party A")**; and
- (2) **PARAGON MORTGAGES (NO.28) PLC ("Party B")**.

The parties hereby agree that this Agreement constitutes an Initial Basis Hedge Agreement (as such term is defined in the Deed of Charge (as defined in Part 5(o) (*Additional Definitions*) below)).

Part 1. Termination Provisions

- (a) "*Specified Entity*" means

in relation to Party A for the purpose of:

Section 5(a)(v), none

Section 5(a)(vi), none

Section 5(a)(vii), none

Section 5(b)(iv), none

and in relation to Party B for the purpose of:

Section 5(a)(v), none

Section 5(a)(vi), none

Section 5(a)(vii), none

Section 5(b)(iv), none.

- (b) "*Specified Transaction*" will have the meaning specified in Section 14.
- (c) The "*Cross Default*" provisions of Section 5(a)(vi) will not apply to Party B and will not apply to Party A.
- (d) The "*Credit Event Upon Merger*" provisions of Section 5(b)(iv) will not apply to Party A and will not apply to Party B.

- (e) The "*Automatic Early Termination*" provision of Section 6(a) will not apply to Party A and will not apply to Party B.
- (f) *Payments on Early Termination*. For the purposes of Section 6(e) of this Agreement:
 - (i) Market Quotation will apply.
 - (ii) The Second Method will apply.
- (g) "*Termination Currency*" means Sterling.

Part 2. Tax Representations

- (a) ***Payer Representations.*** For the purpose of Section 3(e) of this Agreement, Party A and Party B will each make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement and deliveries, transfers and payments to be made pursuant to the Credit Support Annex) to be made by it to the other party under this Agreement. In making this representation, it may rely on:

- (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement,
- (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement; and
- (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement,

provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

- (b) ***Payee Representations.*** For the purpose of Section 3(f) of this Agreement, Party A and Party B will each make the following representation:

None.

Part 3. Agreement to Deliver Documents

For the purpose of Sections 4(a)(i) and (ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

(a) Tax forms, documents or certificates to be delivered are:

N/A

(b) Other documents to be delivered are:

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
Party A and Party B	Evidence satisfactory to the other party as to the authority of its signatories to this Agreement and to each Confirmation including specimen signatures of such signatories.	On signing of this Agreement and relevant Confirmation as applicable.	Yes
Party B	Certified copy of board resolution evidencing Party B's capacity to enter into this Agreement and all Transactions hereunder.	On signing of this Agreement.	Yes
Party B	Certified copy of Memorandum and Articles of Association.	On signing of this Agreement.	Yes
Party B	Details of the Hedge Collateral Accounts opened in order to receive collateral that may be posted by Party A under the Credit Support Annex to this Agreement.	In the case of the Hedge Collateral Cash Account, within 30 days of the signing of this Agreement and, in the case of the Hedge Collateral Securities Account, within 90 days of both: (i) the occurrence of an Initial Fitch Rating Event,	Yes

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
		a Subsequent Fitch Rating Event or if the Collateral Trigger Requirements apply; and (ii) a request of Party A made in writing.	
Party B	Legal opinions in form and substance satisfactory to Party A as to Party B's capacity and authority to enter into this Agreement and the ability of Party B to make payments as of the date of this Agreement without the deduction of withholding tax.	On signing of this Agreement.	No
Party B	Signed copy of the Reporting Agreement with Party A.	On signing of this Agreement.	No
Party B	Any further information required from time to time to meet the Bank of England's Discount Window Facility requirements for residential mortgage backed securities.	To the extent not already made available on a website and notified to Party A in connection with the Administration Agreement, in respect of each calendar month, no later than 30 days following the end of such calendar month.	No

Part 4. Miscellaneous

- (a) **Addresses for Notices.** For the purpose of Section 12(a) of this Agreement:

Any notice relating to a particular Transaction shall be delivered to the address or email address or facsimile or telex number specified in the Confirmation of such Transaction.

Address for notices or communications to Party A (other than by facsimile):

Address: Lloyds Bank Corporate Markets plc
6th Floor
33 Old Broad Street
London
EC2N 1HZ

Attention: Markets Operations

Telephone No: 020 7283 1000

Email: notices@lloydsbanking.com

Any notices under Section 5 and Section 6 shall be copied to:

Address: Lloyds Bank Corporate Markets plc
10 Gresham Street
London
EC2V 7AE

Attention: Head of Legal, Commercial Banking Legal – Traded Products

Address for notices or communications to Party B:

Address: Paragon Mortgages (No.28) plc
51 Homer Road
Solihull
West Midlands B91 3QJ

Attention: Swaps Administration, Finance Department

Telephone No: +44(0) 121 712 2323

Email Address: Company.Secretary@paragonbank.co.uk
securitisations@paragonbank.co.uk
treasurybackoffice@paragonbank.co.uk

- (b) **Process Agent.** For the purpose of Section 13(c) of this Agreement:

Party A appoints as its Process Agent: Not applicable.

Party B appoints as its Process Agent: Not applicable.

- (c) **Offices.** The provisions of Section 10(a) will apply to this Agreement.

(d) **Multibranch Party.** For the purpose of Section 10(c) of this Agreement:

Party A is not a Multibranch Party.

Party B is not a Multibranch Party.

(e) **Calculation Agent.** The Calculation Agent is Party A, provided that if and for as long as Party A is a Defaulting Party, Party B may, by giving written notice to Party A, appoint a leading dealer in the relevant market to act as Calculation Agent.

(f) **Credit Support Document**

Details of any Credit Support Document:

In respect of Party A: Any Third Party Credit Support Document.

In respect of Party B: None.

"Third Party Credit Support Document" means any Eligible Guarantee and/or any other agreement or instrument (including any guarantee or equivalent) entered into pursuant to Part 5(g) (*Ratings Event*), the terms of which provide for the guarantee of Party A's obligations under this Agreement by a third party.

(g) **Credit Support Provider**

Credit Support Provider means in relation to Party A, any party who is a credit support provider under any Third Party Credit Support Document.

Credit Support Provider means in relation to Party B, none.

(h) **Governing Law.** This Agreement 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.

(i) **"Affiliate"** will have the meaning specified in Section 14 of this Agreement.

(j) **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will apply to Transactions entered into under this Agreement.

(k) **Email.** The parties agree that for the purposes of delivering notices under this Agreement, email shall be included as an electronic messaging system.

Part 5. Other Provisions

(a) *No Set-Off*

- (i) All payments under this Agreement shall be made without set-off or counterclaim, except as expressly provided for in Section 2(c), Section 6 or this Schedule.
- (ii) The last sentence of the first paragraph in Section 6(e) shall be deleted.

(b) *Security Interest*

Notwithstanding Section 7, Party A hereby agrees and consents to the assignment by way of security by Party B of its rights, title, interest and benefit present and future under this Agreement (without prejudice to, and after giving effect to, any contractual netting provision contained in this Agreement) to the Trustee (or any successor thereto) pursuant to and in accordance with the Deed of Charge (as defined in Part 5(o) (*Additional Definitions*) hereof) and acknowledges notice of such assignment.

(c) *Disapplication of certain Events of Default*

Section 5(a)(ii), Section 5(a)(iii), Section 5(a)(iv), Section 5(a)(v), Section 5(a)(vii)(2), (3) (to the extent it refers to any assignment, arrangement or composition that is effected by or pursuant to the Relevant Documents), (4) (to the extent that it relates to any actions taken by Party A or its Affiliates), (6) (to the extent that it relates to any appointment effected by or pursuant to the Relevant Documents or any appointment that Party B has not become subject to), (7) and (9) and Section 5(a)(viii) will not apply in respect of Party B.

Section 5(a)(vii)(8) will apply to Party B only to the extent that it applies to Section 5(a)(vii)(1), (3), (4), (5) and (6) as amended above.

(d) *Disapplication of Certain Termination Events*

The Tax Event provisions of Section 5(b)(ii) will apply to Party A and will not apply to Party B, provided that (i) each reference in that Section to "Indemnifiable Tax" shall be construed as a reference to "Tax" and (ii) the words "(x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y)" shall be deleted.

The Tax Event Upon Merger provisions of Section 5(b)(iii) shall apply to Party A and shall not apply to Party B, provided that Party A shall not be entitled to designate an Early Termination Date or effect a transfer pursuant to Section 6(b)(ii) by reason of a Tax Event Upon Merger in respect of which it is the Affected Party.

(e) *Additional Event of Default*

The following shall constitute an additional Event of Default with respect to Party B (and Party B shall be the Defaulting Party):

- (i) an Event of Default in respect of the Notes has occurred (as defined in Condition 9 (*Events of Default*) of the Notes).

(f) ***Additional Termination Events***

In addition to the Additional Termination Events specified in Part 5(g) (*Ratings Event*), the following shall constitute Additional Termination Events:

- (i) irrevocable notice is given that all classes of Notes will be redeemed in accordance with Condition 5 of the Notes; or
- (ii) the Revenue Priority of Payments, Principal Priority of Payments or the Enforcement Priority of Payments is amended without Party A's prior written consent; or
- (iii) any of the Relevant Documents are amended without Party A's prior written consent and Party A determines that it expects such amendment to have the effect that, following such amendment, Party A could reasonably expect to pay more or receive less by way of termination payment if it were to replace itself in any or all of the Transactions under this Agreement than it would otherwise have expected to pay or receive in such circumstances immediately prior to such amendment (as a direct result of such amendment), with such determination being made by Party A using its own internal pricing models or, if requested by Party B, by seeking a price capable of being accepted from a reputable dealer in the relevant market, save that, if no such firm price can be obtained by Party A within 14 Local Business Days of the request from Party B, Party A shall be entitled to exercise this Additional Termination Event on the basis of its determination made using its internal pricing models, *provided, however, that*, in all cases, Party A provides Party B with a reasoned explanation as to the basis on which Party A's determination has been made and, for the avoidance of doubt, such explanation shall not require Party A to disclose any proprietary or confidential information to Party B; or
- (iv) any of the Relevant Documents become wholly void or unenforceable and such unenforceability is materially prejudicial to Party A; or
- (v) the Additional Termination Event specified in Part 5(z) (*Amendment Regarding EMIR*) below; or
- (vi) Party B is obliged to pay a Withholding Compensation Amount to Party A and the amount actually received by Party A pursuant to the provisions of the Deed of Charge is less than such Withholding Compensation Amount.

For the purpose of the Additional Termination Event set out in sub-paragraph (i) above:

- (1) for the purpose of Section 6(b)(iv), (A) both parties will be Affected Parties and all Transactions shall be Affected Transactions and (B) the Early Termination Date designated in any notice delivered pursuant to Section 6(b)(iv) shall be the fifth Local Business Day prior to the intended date of redemption of the Notes;

- (2) for the purpose of Section 6(e), the Affected Party will be Party B only and all Transactions shall be Affected Transactions; and
- (3) notwithstanding Section 6(d)(ii), the amount determined pursuant to Section 6(e) will be due and payable on the date of redemption of the Notes.

For the purposes of the Additional Termination Events set out in sub-paragraphs (ii) to (vi) above, Party B shall be the sole Affected Party and all Transactions shall be Affected Transactions.

(g) **Ratings Event**

(i) **Initial Fitch Rating Event**

In the event that neither Party A (or its successor or assignee) nor any Credit Support Provider from time to time in respect of Party A has a short-term issuer default rating ("IDR"), a long-term IDR, or, or, if assigned, a derivative counterparty rating ("DCR") at least as high as the corresponding Unsupported Minimum Counterparty Ratings (an "**Initial Fitch Rating Event**") then Party A will, on a reasonable efforts basis and at its own cost and expense, either:

- (A) within 14 calendar days of the occurrence of such Initial Fitch Rating Event, post collateral to the extent required to do so in the form of cash or securities or both in support of its obligations under this Agreement in accordance with the terms of the Credit Support Annex; or
- (B) within 30 calendar days of the occurrence of such Initial Fitch Rating Event:
 - (1) subject to Part 5(q) (*Transfers*) below, transfer all of its rights and obligations with respect to this Agreement to a replacement third party whose (a) long-term IDR (or, if assigned, DCR) or short-term IDR is then rated not less than the corresponding Supported Minimum Counterparty Rating, or (b) obligations under this Agreement are guaranteed by an entity that is a Fitch Eligible Guarantor and whose long-term IDR (or, if assigned, DCR) or short-term IDR is then rated not less than the corresponding Supported Minimum Counterparty Rating (*provided that*, if neither such replacement third party, nor its guarantor has the Unsupported Minimum Counterparty Rating at the time such transfer occurs, such replacement third party shall provide collateral as required under the terms of the Credit Support Annex);
 - (2) procure a Fitch Eligible Guarantor to become co-obligor or guarantor of obligations with respect to this Agreement whose long-term IDR (or, if assigned, DCR) or short-term IDR is then rated not less than the corresponding Supported Minimum Counterparty Rating (*provided that* if the guarantor does not have the Unsupported Minimum Counterparty Rating at the time

such transfer occurs, Party A will post collateral to the extent required to do so in accordance with the terms of the Credit Support Annex); or

- (3) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the rating of the Relevant Notes by Fitch following the taking of such action (or inaction) being maintained at, or restored to, the level at which it was immediately prior to such Initial Fitch Rating Event.

(C) For the purposes of this Agreement:

"Fitch Eligible Guarantor" means an entity that is incorporated or domiciled (or the equivalent) in a jurisdiction where the applicable subordination provision would be enforceable against such entity.

(ii) **Subsequent Fitch Rating Event**

In the event that neither Party A (or its successor or assignee) nor any Credit Support Provider from time to time in respect of Party A has a short-term IDR, a long-term IDR, or, if assigned, a DCR at least as high as the corresponding Supported Minimum Counterparty Ratings (a **"Subsequent Fitch Rating Event"**) then Party A will:

- (A) at its own cost and expense, use its reasonable endeavours to take any of the actions set out in subparagraphs (i)(B)(1), (i)(B)(2) or (i)(B)(3) of this Part 5(g) (*Ratings Event*) within 30 calendar days of the occurrence of such Subsequent Fitch Rating Event; and
- (B) pending taking any of the actions set out in subparagraphs (i)(B)(1), (i)(B)(2) or (i)(B)(3) of this Part 5(g) (*Ratings Event*), Party A will, at its own cost and expense, within ten calendar days of the occurrence of the Subsequent Fitch Rating Event post collateral to the extent required to do so in the form of cash or securities or both in support of its obligations under this Agreement in accordance with the terms of the Credit Support Annex.

(iii) **Fitch Ratings**

For the purposes of this Agreement, **"Unsupported Minimum Counterparty Rating"** and **"Supported Minimum Counterparty Rating"** shall mean the long-term IDR, the short-term IDR or, if assigned, the DCR (as applicable) from Fitch corresponding to the then current rating of the Relevant Notes as set out in the following table:

Current rating of Relevant Notes	Unsupported Minimum Counterparty Rating	Supported Minimum Counterparty Rating
AAA _{sf}	A or F1	BBB- or F3
AA _{sf}	A- or F1	BBB- or F3

Asf	BBB or F2	BB+
BBBsf	BBB- or F3	BB-
BBsf	At least as high as the Relevant Notes Fitch rating	B+
Bsf	At least as high as the Relevant Notes Fitch rating	B-

(iv) **Moody's Rating Event**

(A) So long as the Transfer Trigger Requirements apply, Party A will, at its own cost, use commercially reasonable efforts to, as soon as reasonably practicable, either (1) procure an Eligible Guarantee in respect of all of its present and future obligations under this Agreement from a guarantor with a Qualifying Transfer Trigger Rating or (2) transfer its rights and obligations under this Agreement to a Moody's Eligible Replacement.

(B) For the purposes of this Agreement:

"Business Day" shall have the meaning set out in the Confirmation in respect of the Transaction under this Agreement.

"Eligible Guarantee" means an unconditional and irrevocable guarantee that is provided by a guarantor as principal debtor rather than surety and is directly enforceable by Party B, where (I) such guarantee provides that if a guaranteed obligation cannot be performed without an action being taken by Party A, the guarantor shall use commercially reasonable efforts to procure that Party A takes such action, including the payment of any necessary, properly incurred and reasonable costs in relation to such action, (II)(A) a law firm has given a legal opinion, subject to usual qualifications and assumptions, confirming that none of the guarantor's payments to Party B under such guarantee will be subject to withholding or deduction for or on account of tax, (B) such guarantee provides that, in the event that any of such guarantor's payments to Party B are subject to withholding or deduction for or on account of tax, such guarantor is required to pay such additional amount as is necessary to ensure that the net amount actually received by Party B (free and clear of any withholding or deduction for or on account of tax) will equal the full amount Party B would have received had no such withholding or deduction been required or (C) in the event that any payment (the **"Primary Payment"**) under such guarantee is made net of deduction or withholding for or on account of tax, Party A is required under this Agreement to make such additional payment (the **"Additional Payment"**) as is necessary to ensure that the net amount actually received by Party B from the guarantor (free and clear of any tax) in respect of the Primary Payment and Additional Payment will equal the full amount Party B would have received had no such deduction or withholding been required (assuming that the guarantor will be required to make a payment under such guarantee in respect of the Additional

Payment) and (III) the guarantor waives any right of set-off in respect of payments under such guarantee.

The "**Collateral Trigger Requirements**" shall apply so long as no Relevant Entity has a Qualifying Collateral Trigger Rating and Party A has not obtained, if relevant, a rating agency confirmation from Moody's on each occasion as may be relevant in respect thereof or the terms of any such rating agency confirmation from Moody's are subsequently breached.

"**Firm Offer**" means an offer which, when made, was capable of becoming legally binding upon acceptance.

An entity has a "**Qualifying Collateral Trigger Rating**" if its long term senior unsecured debt rating from Moody's is A3 or above, or its long term counterparty risk assessment from Moody's is A3(cr) or above.

An entity has a "**Qualifying Transfer Trigger Rating**" if its long term senior unsecured debt rating from Moody's is Baa1 or above, or its long term counterparty risk assessment from Moody's is Baa1(cr) or above.

"**Moody's Eligible Replacement**" means an entity that can lawfully perform the obligations owing to Party B under this Agreement or its replacement (as applicable) and (A) has a Qualifying Transfer Trigger Rating or (B) whose present and future obligations owing to Party B under this Agreement or its replacement (as applicable) are guaranteed pursuant to an Eligible Guarantee provided by a guarantor with a Qualifying Transfer Trigger Rating.

"**Relevant Entities**" means Party A and any guarantor under an Eligible Guarantee in respect of all of Party A's present and future obligations under this Agreement and "**Relevant Entity**" means any one of them.

The "**Transfer Trigger Requirements**" apply so long as no Relevant Entity has a Qualifying Transfer Trigger Rating and Party A has not obtained, if relevant, a rating agency confirmation from Moody's on each occasion as may be relevant in respect thereof or the terms of any such rating agency confirmation from Moody's are subsequently breached.

(v) **Rating Event Implications**

Each of the following provisions (A) to (D) (inclusive) is without prejudice to the consequences of Party A (a) breaching any provision of this Agreement other than the subparagraph of Part 5(g) (*Ratings Event*) to which each such provision refers or (b) failing to post collateral under the Credit Support Annex in accordance with the requirements of any rating agency other than the rating agency to which each such provision refers.

(A) **Moody's Implications**

An Additional Termination Event shall occur with Party A as Affected Party if (A) the Transfer Trigger Requirements apply and 30 or more Local Business Days have elapsed since the last time the Transfer Trigger Requirements did not apply and (B) at least one Moody's Eligible Replacement has made a Firm Offer that would, assuming the occurrence of an Early Termination Date, qualify as a Market Quotation (on the basis that paragraphs (i) and (ii) in Part 5(p) below (*Close-Out Calculations*) apply) and which remains capable of becoming legally binding upon acceptance.

(B) **Fitch Implications**

(i) If an Initial Fitch Rating Event occurs and is continuing and Party A does not take at least one of the measures described in Part 5(g)(i) above (and regardless of whether reasonable efforts have been used to implement any of those measures), such failure shall not be or give rise to an Event of Default but shall constitute an Additional Termination Event which shall be deemed to have occurred on the next Local Business Day after the thirtieth calendar day following the Initial Fitch Rating Event, with Party A as the sole Affected Party and all Transactions as Affected Transactions.

(ii) If, at the time a Subsequent Fitch Rating Event occurs and is continuing, Party A has provided collateral under the Credit Support Annex pursuant to subparagraph (i)(A) of Part 5(g) above and fails to continue to post collateral pending compliance with subparagraph (ii)(A) of Part 5(g) above or fails to post collateral under subparagraph (ii)(B) of Part 5(g) above, such failure will not be or give rise to an Event of Default but will constitute an Additional Termination Event with respect to Party A and will be deemed to have occurred on the later of the next Local Business Day after the tenth calendar day following such Subsequent Fitch Rating Event and the next Local Business Day after the thirtieth calendar day following any prior Initial Fitch Rating Event with Party A as the sole Affected Party and all Transactions as Affected Transactions.

(iii) Further, if a Subsequent Fitch Rating Event occurs and is continuing, it shall constitute an Additional Termination Event, even if Party A continues to post collateral as required by subparagraph (ii)(B) of Part 5(g) above, and notwithstanding Section 5(a)(ii), if Party A does not take the measures described in subparagraph (ii)(A) of Part 5(g) above (and regardless of whether reasonable endeavours have been used to implement any of those measures). Such Additional Termination Event will be deemed to have occurred on the next Local Business Day after the thirtieth calendar day following the Subsequent Fitch Rating

Event with Party A as the sole Affected Party and all Transactions as Affected Transactions.

(vi) **Rating Agency Announcements**

If either of Moody's or Fitch makes any public announcement after 5.00 p.m. London time or on any day that is not a Local Business Day in London in respect of any of the long term or short term ratings of Party A or any Credit Support Provider or guarantor in respect of Party A, such announcement shall for the purposes of this Agreement be deemed to have been made on the next following Local Business Day in London.

(h) ***Modifications to Representations***

(i) The first paragraph of Section 3 shall be amended by inserting the words "and on each date on which a payment or delivery is required to be made pursuant to Section 2(a)(i)" after the words "on each date on which a Transaction is entered into".

(ii) Section 3 shall be amended by the addition at the end thereof of the following additional representations:

"(g) ***No Agency.*** It is entering into this Agreement and each Transaction as principal and not as agent or nominee of any person.

(h) ***Pari Passu.*** Its obligations under this Agreement rank at least *pari passu* with all of its other unsecured, unsubordinated obligations except those obligations preferred by operation of law."

(iii) Section 3(a)(v) shall be amended by the addition of the words "with the exception of the payment of Stamp Tax as provided for in Section 11" after the words "this Agreement".

(i) ***Recording of Conversations***

Each party to this Agreement (i) consents to the recording of the telephone conversations between the trading and marketing personnel of the parties in connection with this Agreement or any potential Transaction, (ii) agrees to obtain any necessary consent of, and give notice of such recording to, such personnel of it and (iii) agrees that in any Proceedings it will not object to the introduction of such recordings in evidence on the ground that consent was not properly given.

(j) ***Relationship between the Parties***

The Agreement is amended by the insertion after Section 14 of an additional Section 15, reading in its entirety as follows:

"15. Relationship between the Parties

Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

- (a) **Non Reliance.** It is acting for its own account, and it has made its own decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. It has not received from the other party any assurance or guarantee as to the expected results of that Transaction.
 - (b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the financial and other risks of that Transaction.
 - (c) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction."
- (k) **Tax**
- (i) In the first line of Section 2(d)(i)(4) of the Agreement the words "if such Tax is an Indemnifiable Tax" shall be deleted in their entirety and replaced with the words "if Party A is X only".
 - (ii) Party B will, on each Interest Payment Date (as defined in the Terms and Conditions relating to the Notes), subject to and in accordance with the order of priority of payments agreed between Party A and Party B pursuant to the Deed of Charge, pay to Party A an amount (a "**Withholding Compensation Amount**") equal to:
 - (A) any Additional Amounts paid by Party A to Party B on such Interest Payment Date and, to the extent not paid by Party B to Party A on any previous Interest Payment Date, any Additional Amounts paid by Party A on any previous Interest Payment Date; and
 - (B) any Withheld Amount in respect of such Interest Payment Date, and, to the extent not paid by Party B to Party A on any previous Interest Payment Date, any Withheld Amount in respect of any previous Interest Payment Date,

where:

"**Additional Amounts**" means any amounts equal to any additional amounts (if any) paid by Party A in accordance with Section 2(d)(i)(4) of this Agreement.

"**Withheld Amount**" means an amount equal to any withholding or deduction made by Party B in accordance with Section 2(d) of this Agreement,

provided that there will be no double counting in relation to any Tax credit, allowance, set off or repayment from the tax authorities of any jurisdiction which is received by Party B and is paid directly to Party A in accordance with Part 5(k)(iv) below.

- (iii) This paragraph is the "Withholding Compensation Amounts Provision" referred to in certain of the Relevant Documents (as defined in the Deed of Charge).

Where Party B pays a Withholding Compensation Amount, Party A undertakes as follows:

- (A) to the extent that Party A obtains any Tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction relating to the deduction or withholding that gave rise to such Withholding Compensation Amount, it shall forthwith pay to Party B so much of the cash benefit (as calculated below) relating thereto (the "**Cash Benefit A**") which it has received as will leave Party A in substantially the same position as Party A would have been in if no such deduction or withholding had been required;
- (B) the Cash Benefit A shall be equal to:
- (1) in the case of a Tax credit, allowance or set-off, the additional amount of Tax which would have been payable by Party A but for such Tax credit, allowance or set-off; or
- (2) in the case of a repayment, the amount of such repayment,
- together, in either case, with any related interest or similar payment obtained by it;
- (C) the Cash Benefit A shall be taken to be received:
- (1) in the case of a Tax credit, allowance or set-off, (I) on the date when Party A becomes entitled to the Tax credit, allowance or set-off if Party A has made a provision for the additional amount of Tax otherwise payable which provision is able to be released on that date, or (II) on the date when the additional amount of Tax would have been payable if no such provision has been made; or
- (2) in the case of a repayment, on the date when the repayment is made;
- (D) it will use all reasonable endeavours to obtain any Tax credit, allowance, set-off or repayment as soon as is reasonably practicable and shall supply Party B with a reasonably detailed explanation of its calculation of the amount of any such Tax credit, allowance, set-off or repayment and of the date on which it becomes entitled to the same, or in the case of repayment, the same is received; and
- (E) it will use all reasonable endeavours to utilise in accordance with its accounting policies any Tax credit, allowance or set-off which would otherwise be unutilised.
- (iv) Where Party B pays a Withholding Compensation Amount as a result of the withholding of a Withheld Amount, Party B undertakes to use reasonable

endeavours to identify to Party A the withholding or deduction that has given rise to such payment.

- (v) Where an Additional Amount arises, Party B undertakes as follows:
- (A) to the extent that Party B obtains any Tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction relating to the deduction or withholding that give rise to such Additional Amount, it shall forthwith pay to Party A so much of the cash benefit (as calculated below) relating thereto (the "**Cash Benefit B**") which it has received as will leave Party B in substantially the same position as Party B would have been in if no such deduction or withholding had been required provided that there will be no double counting in relation to any Additional Amount in respect of which a Withholding Compensation Amount has been paid by Party B to Party A in accordance with Part 5(k)(iii) above;
 - (B) the Cash Benefit B shall be equal to:
 - (1) in the case of a Tax credit, allowance or set-off, the additional amount of Tax which would have been payable by Party B but for such Tax credit, allowance or set-off; or
 - (2) in the case of a repayment, the amount of such repayment,together, in either case, with any related interest or similar payment obtained by it;
 - (C) the Cash Benefit B shall be taken to be received:
 - (1) in the case of a Tax credit, allowance or set-off, (I) on the date when Party B becomes entitled to the Tax credit, allowance or set-off if Party B has made a provision for the additional amount of Tax otherwise payable which provision is able to be released on that date, or (II) on the date when the additional amount of Tax would have been payable if no such provision has been made; or
 - (2) in the case of a repayment, on the date when the repayment is made;
 - (D) it will use all reasonable endeavours to obtain any Tax credit, allowance, set-off or repayment as soon as is reasonably practicable and shall supply Party A with a reasonably detailed explanation of its calculation of the amount of any such Tax credit, allowance, set-off or repayment and of the date on which it becomes entitled to the same, or in the case of repayment, the same is received; and
 - (E) it will use all reasonable endeavours to utilise in accordance with its accounting policies any Tax credit, allowance or set-off which would otherwise be unutilised.

(l) ***Security, Enforcement and Limited Recourse***

- (i) Party A agrees with Party B to be bound by the terms of the Deed of Charge and, in particular, confirms that:
- (A) no sum shall be payable by or on behalf of Party B to it except in accordance with the provisions of the Deed of Charge;
 - (B) unless an Enforcement Notice has been served or unless the Trustee, having become bound to do so, fails to serve an Enforcement Notice and/or to take any steps or proceedings pursuant to the Deed of Charge to enforce the security thereby created:
 - (1) it shall not take any steps whatsoever to direct the Trustee to enforce any security created by or pursuant to the Deed of Charge; and
 - (2) it shall not take any steps for the winding up, dissolution or reorganisation, or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of Party B or of any or all of its revenues and assets nor participate in any *ex parte* proceedings nor seek to enforce any judgment against Party B, subject to the provisions of the Deed of Charge.

Notwithstanding the above, the provisions of this Part 5(l)(i) are in no way intended to alter the terms set out in the Deed of Charge and to the extent that any conflict arises between the terms of the Deed of Charge and this Part 5(l)(i), the terms of the Deed of Charge shall prevail.

- (ii) In relation to all sums due and payable by Party B to Party A, Party A agrees that it shall have recourse only to funds available for the purpose pursuant and subject to the order of priority of payments set out in the Deed of Charge.
- (iii) Notwithstanding the provisions of Section 6 of this Agreement, any notice given by Party A designating an Early Termination Date shall be given to the Trustee in respect of the Deed of Charge, with a copy to Party B. In the event that service of an Enforcement Notice occurs following the date of giving of such notice but prior to the date which would otherwise have been the Early Termination Date, the effective date of such Enforcement Notice shall be the Early Termination Date.
- (iv) If, on any date, after the application of Section 2(c), Party B does not pay the full amount it would otherwise owe under any Transaction (including any default interest under Section 2(e) accruing in respect of a Withholding Compensation Amount but excluding payments to be made pursuant to Section 6) as a result of the limitation contained in Part 5 (l)(i) or Part 5 (l)(ii) above, then:
 - (A) payment by Party B of the shortfall will not then fall due but will instead be deferred until the first Party A Payment Date thereafter on which

sufficient funds are available to Party B (subject to Part 5 (l)(i) or Part 5 (l)(ii) above); and

- (B) failure by Party B to make the full payment under such Transaction (after the application of Section 2(c) to such Transaction) shall not constitute an Event of Default for the purpose of Section 5(a)(i) or Section 5(a)(ii).
- (v) For the avoidance of doubt, if an Early Termination Date results from an Event of Default or an Additional Termination Event, any amounts otherwise payable under this Agreement (the payment of which was deferred or not paid in the circumstances described under Part 5(l)(iv) above) by Party A and by Party B, will be deemed to be Unpaid Amounts (except that any Withholding Compensation Amount shall not constitute an Unpaid Amount for the purposes of this Agreement, but instead shall constitute a separate and independent obligation of the relevant party).
- (vi) Following the calculation thereof, Party B shall notify Party A at least two Business Days in advance of the relevant Payment Date of the amount of any shortfall, the payment of which by Party B is deferred in accordance with Part 5(l)(iv) above.
- (m) ***Condition Precedent***

Section 2(a)(iii) shall be amended by the deletion of the words "or Potential Event of Default" in respect only of the obligations under Section 2(a)(i) of Party A.
- (n) ***Representations***

Section 3(b) shall be amended by the deletion of the words "or Potential Event of Default" in respect of the representation given by Party B only. For the purpose of Section 3(c), Party A shall be deemed to have no Affiliates.
- (o) ***Additional Definitions***
 - (i) ***Definition of "Notes"***

For the purpose of this Agreement, "**Class A Notes**", "**Class B Notes**", "**Class C Notes**", "**Class D Notes**", "**Class Z Notes**", "**Class S Notes**", "**Class S VFN**" and "**Notes**" have the same meaning as indicated in the Deed of Charge (as defined below).

"**Relevant Notes**" means, in respect of a rating agency and any time, the Rated Notes with the highest rating from such rating agency at such time.

"**Rated Notes**" means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

(ii) ***Definition of "Deed of Charge"***

For the purpose of this Agreement "**Deed of Charge**" means the Deed of Sub-Charge and Assignment dated on or about the date of this Agreement between, among others, Party A, Party B and the Trustee.

(iii) ***Definitions***

This Agreement, the Confirmations and each Transaction hereunder are subject to the 2006 ISDA Definitions (as published by the International Swap and Derivatives Association, Inc.) (the "**Definitions**") and will be governed in all respects by the provisions set forth in the Definitions, without regard to any amendments subsequent to the date of this Agreement.

The provisions of the Definitions are incorporated by reference in and shall be deemed to be part of this Agreement and each Confirmation as if set forth in full in this Agreement and in each such Confirmation.

In the event of any inconsistency between the provisions of this Agreement and the Definitions, this Agreement will prevail.

Words and expressions used in this Schedule which are not defined herein or in the Definitions shall have the same meanings as are given to them in the Confirmation.

Terms defined or referred to in the Conditions (as defined in the Deed of Charge) and the Relevant Documents (as defined in Condition 3 of those Conditions) shall, where the context permits, bear the same respective meanings in this Agreement. In the event of any conflict between those Conditions and the definitions in the Relevant Documents, the definitions in the Conditions shall prevail. In the event of any conflict between those Conditions, the definitions in the Relevant Documents and the definitions in this Schedule, the definitions in this Schedule shall prevail.

(p) ***Close-out Calculations***

Notwithstanding Section 6 of this Agreement, if an Early Termination Date is designated at a time when Party A is (A) the Affected Party in respect of an Additional Termination Event or (B) the Defaulting Party in respect of any Event of Default, paragraphs (i) to (vi) below shall apply:

- (i) The definition of "**Market Quotation**" shall be deleted in its entirety and replaced with the following:

"**Market Quotation**" means, with respect to one or more Terminated Transactions, a Firm Offer which is:

- (1) made by a Moody's Eligible Replacement;
- (2) for an amount that would be paid to Party B (expressed as a negative number) or by Party B (expressed as a positive number) in consideration of an agreement between Party B and such Moody's Eligible

Replacement to enter into a transaction (the "**Replacement Transaction**") that would have the effect of preserving for Party B the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under this Agreement in respect of such Terminated Transactions or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date;

- (3) made on the basis that Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included;
 - (4) made in respect of a Replacement Transaction with terms that are, in all material respects, no less beneficial for Party B than those of this Agreement (save for the exclusion of provisions relating to Transactions that are not Terminated Transactions), as determined by Party B; and
 - (5) obtained by Party A or Party B."
- (ii) If Party B elects to determine whether or not a Firm Offer satisfies the condition in sub-paragraph (4) of the definition of Market Quotation, it shall do so in a commercially reasonable manner.
- (iii) The definition of "Settlement Amount" shall be deleted in its entirety and replaced with the following:

"Settlement Amount" means, with respect to any Early Termination Date:

- (1) if, on or prior to such Early Termination Date, a Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions is accepted by Party B so as to become legally binding, the Termination Currency Equivalent of the amount (whether positive or negative) of such Market Quotation;
- (2) if, on such Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions has been accepted by Party B so as to become legally binding and one or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, the Termination Currency Equivalent of the amount (whether positive or negative) of the lowest of such Market Quotations (for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value); or

- (3) if, on such Early Termination Date, (x) no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions has been accepted by Party B so as to become legally binding and (y) no Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B's Loss (whether positive or negative and without reference to any Unpaid Amounts) for the relevant Terminated Transaction or group of Terminated Transactions."
- (iv) If Party B requests Party A in writing to obtain Market Quotations, Party A shall use its reasonable efforts to do so before the Early Termination Date.
- (v) At any time on or before the Early Termination Date at which two or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance, Party B shall be entitled to accept only the lowest of such Market Quotations (for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the larger absolute value).
- (vi) For the purpose of determining Unpaid Amounts, any payment or delivery obligation which was (or would have been but for Section 2(a)(iii)) required to be performed pursuant to paragraph 2 of the Credit Support Annex shall be disregarded for the purposes of Section 6(e).
- (q) ***Transfers***
 - (i) Notwithstanding Section 7 of this Agreement and subject to this Part 5(q) (*Transfers*), Part 5(b) (*Security Interest*), and Section 6(b)(ii), neither party may transfer (whether by way of security or otherwise) any interest or obligation in or under this Agreement without the prior written consent of the other party.
 - (ii) Subject to giving prior written notification to Party B, Party A may (at its own cost) transfer its rights and obligations with respect to this Agreement to any other entity (a "*Transferee*") if:
 - (A) the Transferee contracts with Party B on terms that (x) have the same effect as the terms of this Agreement in respect of any obligation (whether absolute or contingent) to make payment or delivery after the effective date of such transfer and (y) insofar as they do not relate to payment or delivery obligations, are, in all material respects, no less beneficial for Party B than the terms of this Agreement immediately before such transfer;
 - (B) unless the Transferee contracts with Party B on terms that are identical to the terms of this Agreement (save for any amendments that are necessary to reflect, or are a natural consequence of, the fact that the Transferee is to be substituted for Party A), Party B has determined that the condition in (A)(y) above is satisfied and communicated such determination to Party A in writing;

- (C) the Transferee: (1) is a Moody's Eligible Replacement; and (2) an entity whose short-term IDR or its long-term IDR (or DCR, if applicable) is then rated not less than the corresponding Supported Minimum Counterparty Rating or such Transferee's obligations under this Agreement are guaranteed by an entity whose short-term IDR or whose long-term IDR (or DCR, if applicable) is then rated not less than the corresponding Supported Minimum Counterparty Rating (provided that if neither the Transferee nor its guarantor has the Unsupported Minimum Counterparty Rating at the time such transfer occurs, such Transferee will post collateral to the extent required to do so in accordance with the terms of the Credit Support Annex);
 - (D) notice of such transfer has been given to Fitch and Moody's;
 - (E) (except where: (i) Party A is, as of the date of such transfer, already paying, or will be liable to pay as at the next scheduled Payment Date, additional amounts to Party B pursuant to Section 2(d)(i) of this Agreement; and (ii) the Transferee would be required upon a transfer to pay additional amounts to Party B pursuant to Section 2(d)(i) of this Agreement or an equivalent provision in the replacement agreement, as applicable, as of the date of such transfer) as of the date of such transfer, the Transferee will not, as a result of such transfer, be required to make any withholding or deduction for or on account of any Tax in respect of payments made under this Agreement; and
 - (F) as judged immediately prior to the proposed transfer, a Termination Event or Event of Default will not occur as a direct result of such transfer.
- (iii) If Party B elects to determine whether or not a transfer satisfies the condition in (ii)(A)(y) above, it shall do so in a commercially reasonable manner.
 - (iv) Following a transfer in accordance with Part 5(q)(ii), all references to Party A shall be deemed to be references to the Transferee.
 - (v) Notwithstanding Part 5(q)(ii) above and subject to Part 5(q)(vi) below, Party A (for the purposes of this Part 5(q)(v) and Part 5(q)(vi) below, the "**Novation Transferor**") may (at its own cost) transfer by novation all its rights, liabilities, duties and obligations with respect to this Agreement, including the Transaction hereunder, to any other entity (a "**Novation Transferee**") with the effect that Party B and the Novation Transferee will enter into a new agreement (a "**New Agreement**"), including a new transaction thereunder (a "**New Transaction**"), each having terms identical to this Agreement and the Transaction hereunder, respectively, if each of the following provisions (1) to (5) (inclusive) are satisfied:
 - (1) the Novation Transferor and the Novation Transferee deliver to Party B a duly completed and executed Novation Certificate on or prior to the applicable Novation Effective Date;

- (2) the Novation Transferee is (i) a Moody's Eligible Replacement; and (ii) an entity whose short-term IDR or its long-term IDR (or DCR, if applicable) is then rated not less than the corresponding Supported Minimum Counterparty Rating or such Novation Transferee's obligations under the New Agreement are guaranteed by an entity whose short-term IDR or whose long-term IDR (or DCR, if applicable) is then rated not less than the corresponding Supported Minimum Counterparty Rating (provided that if neither the Novation Transferee nor its guarantor has the Unsupported Minimum Counterparty Rating at the time such transfer occurs, such Novation Transferee will post collateral to the extent required to do so in accordance with the terms of the Credit Support Annex);
 - (3) as judged immediately prior to the applicable Novation Effective Date, a Termination Event or Event of Default will not occur under the New Agreement as a direct result of such novation;
 - (4) the Novation Transferor or the Novation Transferee has delivered, on or prior to the applicable Novation Effective Date, a legal opinion prepared by a reputable law firm and addressed to Party B confirming that, as of the Novation Effective Date, the Novation Transferee will not, as a result of the novation, be required to make any withholding or deduction for or on account of any Tax in respect of payments made under the New Agreement; and
 - (5) Party B has given its prior written consent to such novation (such consent not to be unreasonably withheld or delayed).
- (vi) Provided that each of the provisions (1) to (5) (inclusive) in Part 5(q)(v) above have been satisfied, with effect from and including the Novation Effective Date and in consideration of the representations, warranties and covenants contained in the Novation Certificate, Party B agrees for the benefit of the Novation Transferor and the Novation Transferee that:
- (1) the Novation Transferor will be released and discharged from further obligations to Party B with respect to this Agreement, including the Transaction hereunder, other than those obligations and liabilities with respect to payments or other obligations due and payable or due to be performed by the Novation Transferor on or prior to the Novation Effective Date;
 - (2) Party B's rights against the Novation Transferor with respect to this Agreement, including the Transaction hereunder, will be cancelled other than its rights with respect to payments or other obligations due and payable or due to be performed by the Novation Transferor on or prior to the Novation Effective Date;
 - (3) with respect to payments or other obligations due and payable or due to be performed by Party B on or prior to the Novation Effective Date, all such payments and obligations shall be paid or performed by Party B in

accordance with the terms of this Agreement, including the Transaction hereunder;

- (4) Party B will, in assuming its position under the New Agreement, including the New Transaction thereunder which shall be identical to its position under this Agreement and the Transaction hereunder, undertake liabilities and obligations towards, and acquire rights against the Novation Transferee under the New Agreement, including the New Transaction thereunder, which shall be identical to those which Party B had under this Agreement and the Transaction hereunder, save for any rights, liabilities or obligations that it has with respect to payments or other obligations due and payable or due to be performed on or prior to the Novation Effective Date; and
- (5) the New Transaction shall be governed by and form part of the New Agreement (which shall be evidenced by means of this Agreement as deemed to be modified to be consistent with Part 5(q)(v) above, this Part 5(q)(vi) and the Novation Certificate) and the Confirmation in respect of the Transaction (which, in conjunction and as deemed modified to be consistent with Part 5(q)(v) above, this Part 5(q)(vi) and the Novation Certificate, shall be deemed to be a Confirmation between Party B and the Novation Transferee).

(vii) For the purposes of this Agreement:

"Novation Certificate" means a certificate, substantially in the form of Appendix A (Form of Novation Certificate).

"Novation Effective Date" has the meaning given to such term in the Novation Certificate.

(r) ***Rights of Third Parties***

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement provided that this shall not affect any rights of any third party which may be granted in respect of this Agreement pursuant to the terms of the Deed of Charge.

(s) ***Principal Paying Agent Payment***

Party A hereby undertakes with Party B that, unless otherwise agreed between the parties, it will make all payments of all sums payable in respect of this Agreement directly to the Principal Paying Agent. Party B agrees that payment by Party A made in accordance with this provision of an amount due to Party B shall discharge the liability of Party A to the extent of such payment.

(t) ***Successors***

References in this Agreement to Party A and Party B shall (for the avoidance of doubt) include, where appropriate, any permitted successor or assign thereof.

(u) ***Benefit of Agreement***

Any legal entity into which Party A is merged or converted or any legal entity resulting from any merger or conversion to which Party A is a party shall, to the extent permitted by applicable law, be a party to this Agreement in place of Party A without any further act or formality.

(v) ***Severability***

Any provision of this Agreement which is prohibited (for reasons other than those constituting an illegality) or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of the Agreement or affecting the validity or enforceability of such provision in any other jurisdiction unless the severance shall substantially impair the benefits of the remaining portions of this Agreement or change the reciprocal obligations of the parties.

(w) ***Optional Termination***

At any time prior to the final redemption of the Notes, Party B may, in the event of the sale, early redemption or enforcement of any mortgage which has been hedged by a Transaction under this Agreement, give not less than three Business Days' notice (an "**Optional Termination Notice**") of its intention to terminate, in whole or in part, that Transaction, provided that any such termination shall not adversely affect the rating provided by Moody's or Fitch in respect of the Notes. Such termination shall be effective on the date (the "**Optional Termination Date**") which is the next Party A Interest Payment Date after the date on which such notice is given by Party B (or, if such notice is given less than three Business Days before such next Party A Interest Payment Date, the following Party A Interest Payment Date), such notice to specify the Transaction (the "**Relevant Transaction**") and the percentage of the Notional Amount thereof to be so terminated (the "**Terminated Portion**"), provided that the parties hereto may at any time agree that the Optional Termination Date in respect of a Terminated Portion shall be earlier than the date which would otherwise be applicable under this paragraph. In this event, notwithstanding the provisions of Section 5 and Section 6 of the Agreement, Party A shall determine the "**Market Value**" (as defined below) with respect to the Terminated Portion and the following provisions shall apply:

- (i) If the Market Value so determined is a negative number, Party B shall pay the absolute value of that amount to Party A on the Optional Termination Date, provided that any such payment shall be made in accordance with the order of priority of payments, as agreed between Party B and Party A pursuant to the Deed of Charge.
- (ii) If the Market Value so determined is a positive number, notwithstanding anything to the contrary in the Agreement or this Schedule, Party A will not be obliged to pay any amount in respect of the Terminated Portion to Party B on the Optional Termination Date but the following shall occur:
 - (A) in the event that the Terminated Portion of the Relevant Transaction is less than 100% of the Notional Amount, Party A will be obliged to pay Annuity Payments (as defined below) to Party B on each Party A Interest

Payment Date specified for the original Transaction following the Optional Termination Date; or

- (B) in the event that, the Relevant Transaction has terminated in whole, Party A will be obliged to pay Annuity Payments on each Party A Interest Payment Date which would have occurred under the Relevant Transaction had it not been terminated in whole in accordance with this paragraph;

it being further provided that, despite the Relevant Transaction having been terminated in whole or in part, the remaining obligations of the parties as specified in this sub-paragraph (ii) shall survive and shall be deemed to constitute a Transaction from the Optional Termination Date (for which this sub-paragraph (ii) constitutes the Confirmation).

"Annuity Payment" means such amounts as Party B and Party A may agree on the date on which Party A receives the relevant Optional Termination Notice in respect of a transaction under which Party A will pay a fixed annuity payment to Party B on each Party A Interest Payment Date which would fall during the period commencing on (and including) the first Party A Interest Payment Date which falls after the Optional Termination Date and ending on (and including) the Party A Interest Payment Date on which the Relevant Transaction would otherwise have expired if it had not been terminated (in whole or in part) pursuant to this Part 5(w) in consideration of a payment of an amount equal to the Market Value of the Terminated Portion on the Optional Termination Date which would have been payable to Party B if upon termination Party A had made a termination payment in the form of one payment on the Optional Termination Date equal to Market Value (the **"Annuity Terms"**). If Party B and Party A cannot so agree, Party A shall at or about 11.00 a.m. London time two Business Days prior to the Optional Termination Date in accordance with customary market practice request four leading banks in the market for transactions in sterling to provide their quotes for the annuity payments which they would make on the basis of the Annuity Terms. If more than three quotes are provided, the highest quote (or, if there is more than one such highest quote, one only of such quotes) and lowest quote (or if there is more than one such lowest quote, one only of such quotes) will be disregarded and the Annuity Payments to be made by Party A shall be the arithmetic mean of the remaining quotes. If exactly three quotes are provided, then Annuity Payments to be made by Party A shall be the quote remaining after disregarding the highest quote and the lowest quote. However, if less than three quotes are provided (or if exactly three quotes are provided and two of such quotes are the same), then Party A shall determine the Annuity Payments to be made by it in good faith and in a reasonable manner and it may (but need not) determine the Annuity Payments by reference to quotes of relevant rates or prices from one or more leading dealers in the relevant market.

Upon the Optional Termination Date subject to subparagraphs (i) and (ii) above, the obligations of both parties with respect to the Terminated Portion of the Relevant Transaction shall be discharged in full (subject to reinstatement should any sums subsequently be recovered by, or on behalf of, the party making the payment) and the Notional Amount of the Transaction outstanding shall be reduced accordingly.

"Market Value" shall be the amount (which may be positive or negative) agreed by Party B and Party A on the date on which Party A receives the relevant Optional

Termination Notice that would be paid to Party A (expressed as a negative) or by Party A (expressed as a positive) in consideration of a transaction on substantially the same terms as the Terminated Portion of the Relevant Transaction commencing on the Optional Termination Date upon termination of the Terminated Portion of the Relevant Transaction. In the event that the parties cannot so agree, Party A shall request, at or about 11.00 a.m. London time two Business Days prior to the Optional Termination Date, in accordance with customary market practice, from four leading banks in the market for Transactions in Sterling, the amount in Sterling that would be paid to Party A (expressed as a negative) or by Party A (expressed as a positive) in consideration of a transaction on substantially the same terms as the Terminated Portion of the Relevant Transaction commencing on the Optional Termination Date. If more than three quotes are provided, the highest quote (or, if there is more than one such highest quote, one only of such quotes) and lowest quote (or, if there is more than one such lowest quote, one only of such quotes) will be disregarded and "Market Value" shall be the arithmetic mean of the remaining quotes. If exactly three quotes are provided, then Market Value shall be the quote remaining after disregarding the highest quote and the lowest quote. However, if less than three quotes are provided (or if exactly three quotes are provided and two of such quotes are the same), then Party A shall determine the Market Value in good faith and in a reasonable manner and it may (but need not) determine the Market Value by reference to quotes of relevant rates or prices from one or more leading dealers in the relevant market.

(x) ***NFC Representation***

- (i) Party B represents to Party A as at the date of this Agreement and on each date on which a Transaction is entered that it is an NFC-.
- (ii) Party B will notify Party A if at any time it ceases to be an NFC-.
- (iii) Notwithstanding anything to the contrary in this Agreement, if the representation set out in Part 5(x)(i) above proves to have been incorrect or misleading in any material respect when made (or deemed repeated) by Party B, neither a Termination Event nor an Event of Default will occur in respect of this Agreement.
- (iv) For the purposes of this Agreement:

"EMIR" means Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 as amended by Regulation (EU) 2019/834 of the European Parliament and of the Council dated 20 May 2019; and

"NFC-" means a non-financial counterparty (as such term is defined in EMIR) that is not a non-financial counterparty referred to in Article 10 of EMIR.

(y) ***Timely Confirmation***

- (i) Section 9(e)(ii) is hereby amended by:
 - (A) replacing the word "practicable" with the word "possible" in the third line thereof;

- (B) inserting "or by such other method intended by the parties to be effective for the purpose of confirming or evidencing such Transaction" immediately before the words "which in each case will be sufficient" in the fifth line thereof; and
- (C) inserting a new Part 9(e)(iii) as follows:

"In respect of each Relevant Confirmation Transaction, Party A and Party B will use reasonable efforts acting in good faith and a commercially reasonable manner to ensure each Relevant Confirmation Transaction is confirmed by the Timely Confirmation Deadline."
- (ii) Without prejudice to the rights, powers, remedies and privileges provided by law, failure by a party to comply with its obligations under Part 5(y) will not constitute an Event of Default or a Termination Event under the Agreement.
- (iii) For the purposes of this Agreement:
 - (A) "**CCP**" means a central clearing house authorised under Article 14 of EMIR or recognised under Article 25 of EMIR;
 - (B) "**Cleared**" means, in respect of a Transaction, that such Transaction has been submitted (including where details of such Transaction are submitted) to a CCP for clearing in a relevant CCP Service and that such CCP has become a party to a resulting or corresponding transaction, as applicable, pursuant to such CCP's Rule Set;
 - (C) "**CCP Service**" means in respect of a CCP, an over-the-counter derivative clearing service offered by such CCP;
 - (D) "**Relevant Confirmation Transaction**" means any Transaction which is not Cleared and which was entered into on or following the Timely Confirmation Start Date between the parties;
 - (E) "**Rule Set**" means, with respect to a CCP Service, the relevant rules, conditions, procedures, regulations, standard terms, membership agreements, collateral addenda, notices, guidance, policies or such other documents promulgated by the relevant CCP and amended and supplemented from time to time;
 - (F) "**Timely Confirmation Deadline**" means, in respect of a Relevant Confirmation Transaction, the end of the latest day by which such Relevant Confirmation Transaction must be confirmed in accordance with Article 12 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 published on 23 February 2013 in the Official Journal of the European Union; and
 - (G) "**Timely Confirmation Start Date**" means the twentieth day following the day of publication of Article 12 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 published 23 February 2013 in the Official Journal of the European Union.

(z) ***Amendment Regarding EMIR***

Notwithstanding any other provisions herein, Party A may, at any time during the term of this Agreement, notify Party B that certain provisions, rules, regulations, directions, processes, guidelines and procedures relating to EMIR (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) have been clarified, updated, delivered, amended, modified or become operative or applicable (the "**New EMIR Requirements**") and, as a result, require the amendment or modification of this Agreement to meet the New EMIR Requirements. Party A and Party B agree to use reasonable endeavours to cooperate with each other to determine and reach agreement on the terms of, and to execute, such amended and restated Agreement.

If this Agreement is not so amended or modified to meet the New EMIR Requirements within 30 Business Days (or such longer period as may be agreed between Party A and Party B) following a notice made in accordance with Part 5(z)(*Amendment Regarding EMIR*) by Party A to Party B (the "**Amendment Deadline**"), it will constitute an Additional Termination Event for purposes of Section 5(b)(v); provided that no such Additional Termination Event shall occur if the failure to so amend or modify this Agreement is caused by any commercially unreasonable action or inaction of Party A. If this Additional Termination Event occurs, Party B shall be the sole Affected Party and all Transactions then outstanding between the parties shall be Affected Transactions.

(aa) ***Amendment to Priority of Payments or Relevant Documents***

Party B hereby covenants in favour of Party A that it shall not agree to any amendment to the Revenue Priority of Payments, Principal Priority of Payments, the Enforcement Priority of Payments or any Relevant Document that it considers to be materially prejudicial to Party A without first gaining the prior written consent of Party A.

(bb) ***Withholding Tax imposed on payments to non-US counterparties under the United States Foreign Account Tax Compliance Act***

(A) "Tax" as used in Part 2(a) of this Schedule (*Payer Tax Representation*) and "Indemnifiable Tax" as defined in Section 14 of this Agreement shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "**FATCA Withholding Tax**"). For the avoidance of doubt, a FATCA Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for the purposes of Section 2(d) of this Agreement.

(B) Each party agrees that it can disclose information about the other party and any Transaction entered into under this Agreement to any government or taxing authority if so required by Sections 1471 through 1474 of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any

intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and each party irrevocably waives, to the extent possible, any applicable law which prevents such disclosure about the other party and any Transaction entered into under this Agreement.

- (C) If Party A and Party B have entered into an English Law ISDA Credit Support Annex (Bilateral Form – Transfer) in connection with this Agreement, the following shall be added at the end of the definition of "Distributions" in such document:

"If amounts constituting Distributions would, if the Transferor were the holder of the related Eligible Credit Support at all relevant times, be required to be paid to the Transferor subject to a FATCA Withholding Tax (as defined in the Agreement, as amended from time to time), then references to such Distributions shall be deemed to be to the net amounts which would be received by the Transferor after the application of such FATCA Withholding Tax. If amounts constituting Distributions would, if the Transferor were the holder of the related Eligible Credit Support at all relevant times, not be required to be paid to the Transferor subject to a FATCA Withholding Tax, all Distributions shall be gross amounts determined without regard to any FATCA Withholding Tax."

Part 6. Risk Mitigation

Portfolio Reconciliation

(1) Agreement to Reconcile Portfolio Data

The parties agree to reconcile portfolios as required by the Portfolio Reconciliation Risk Mitigation Techniques.

(a) **One-way Delivery of Portfolio Data.** If one party is a Portfolio Data Sending Entity and the other party is a Portfolio Data Receiving Entity:

- (i) on each Data Delivery Date, the Portfolio Data Sending Entity will provide Portfolio Data to the Portfolio Data Receiving Entity;
- (ii) on each PR Due Date, the Portfolio Data Receiving Entity will perform a Data Reconciliation;
- (iii) if the Portfolio Data Receiving Entity identifies one or more discrepancies which such party determines, acting reasonably and in good faith, are material to the rights and obligations of the parties in respect of one or more Relevant Transaction(s), it will notify the other party in writing as soon as reasonably practicable and the parties will consult with each other in an attempt to resolve such discrepancies in a timely fashion for so long as such discrepancies remain outstanding using, without limitation, any applicable updated reconciliation data produced during the period in which such discrepancy remains outstanding; and
- (iv) if the Portfolio Data Receiving Entity does not notify the Portfolio Data Sending Entity that the Portfolio Data contains discrepancies by the Affirmation Deadline, the Portfolio Data Receiving Entity will be deemed to have affirmed such Portfolio Data at the Affirmation Deadline;

(b) **Exchange of Portfolio Data.** If both parties are Portfolio Data Sending Entities:

- (i) on each Data Delivery Date, each party will provide Portfolio Data to the other party;
- (ii) on each PR Due Date, each party will perform a Data Reconciliation; and
- (iii) if a party identifies one or more discrepancies which such party determines, acting reasonably and in good faith, are material to the rights and obligations of the parties in respect of one or more Relevant Transaction(s), it will notify the other party in writing as soon as reasonably practicable and the parties will consult with each other in an attempt to resolve any such discrepancies in a timely fashion for so long as such discrepancies remain outstanding using, without limitation, any

applicable updated reconciliation data produced during the period in which such discrepancy remains outstanding; or

- (c) **Alternate Process.** If both parties are Portfolio Data Receiving Entities, the parties will agree a process for reconciling Portfolio Data in order to meet the requirements of the Portfolio Reconciliation Risk Mitigation Techniques.

(2) **Change of Status**

- (a) Each party may change its own designation:
 - (i) from Portfolio Data Receiving Entity to Portfolio Data Sending Entity, by one month's written notice to the other party; and
 - (ii) from Portfolio Data Sending Entity to Portfolio Data Receiving Entity, with the agreement of the other party (such agreement not to be unreasonably withheld or delayed). If, as a result of any such change of designation, both parties will be Portfolio Data Receiving Entities, Part 6(1)(c) will apply.
- (b) If a party believes, acting reasonably and in good faith, that the parties are required to perform Data Reconciliation at a greater or lesser frequency than that being used by the parties at such time, it will notify the other party of such in writing, providing evidence on request. From the date such notice is effectively delivered, such greater or lesser frequency will apply and the first following PR Due Date will be the date agreed between the parties or, in the absence of such agreement, the first Joint Business Day occurring on or immediately following the date such notice is effective.

(3) **Use of agents and third party service providers**

Without prejudice to (1) above, for the purposes of this Part 6, each party may appoint (a) an agent by not less than one month's written notice to the other party; and/or (b) subject to the other party's agreement, a qualified and duly mandated third party service provider, in either case to perform or otherwise act on the appointing party's behalf in respect of all or part of the actions required under Parts 6(1) and 6(2).

Dispute Resolution

(4) **Dispute Identification and Resolution Procedure**

The parties agree to use the following procedure to identify and resolve Disputes between them:

- (a) either party may identify a Dispute by sending a Dispute Notice to the other party;
- (b) on and following the Dispute Date, the parties will consult in good faith to resolve the Dispute in a timely manner, including, without limitation, exchanging any relevant information and by identifying and using any Agreed Process which can be applied to the subject of the Dispute or, where no such

Agreed Process exists or the parties agree that such Agreed Process would be unsuitable, determining and applying a resolution method for the Dispute; and

- (c) with respect to any Dispute that is not resolved within five Joint Business Days, escalate issues internally to appropriately senior members of staff in addition to actions under (b) immediately above.

(5) Internal processes for recording and monitoring Disputes

Each party agrees that it will have internal procedures and processes in place to record and monitor any Dispute for as long as the Dispute remains outstanding.

Common Provisions

(6) Relationship to other portfolio reconciliation and dispute resolution processes

- (a) This Part 6 and any action or inaction of either party in respect of it are without prejudice to any rights or obligations the parties may possess in respect of each other under any Agreed Process or other contractual agreement, by operation of law or otherwise. Action or inaction by a party in respect of this Part 6 will not be presumed to operate as an exercise or waiver, in whole or part, of any right, power or privilege such party may possess in respect of each other under any Agreed Process or other contractual agreement, by operation of law or otherwise. In particular, but without limitation, (i) any Valuation in respect of one or more Relevant Transactions which is agreed between the parties for the purposes of this Part 6 will be without prejudice to any other valuation with respect to such Relevant Transaction(s) made for collateral, close out, dispute or other purpose; (ii) the parties may seek to identify and resolve issues and discrepancies between themselves before either party delivers a Dispute Notice; and (iii) nothing in this Part 6 obliges a party to deliver a Dispute Notice following the identification of any such issue or discrepancy (notwithstanding that such issue or discrepancy may remain unresolved) or limits the rights of the parties to serve a Dispute Notice or otherwise to pursue any dispute resolution process in respect of the Agreement or any Credit Support Document.
- (b) Notwithstanding anything to the contrary in this Part 6, the parties may in good faith agree to any other procedure for the identification and/or resolution of any discrepancy or dispute between them, whether in addition to or in substitution of the procedures set out in this Part 6.

(7) Remedies for Breach

Without prejudice to the rights, powers, remedies and privileges provided by law, failure by a party to take any actions required by or to otherwise comply with this Part 6 will not constitute an Event of Default or Termination Event under the Agreement.

(8) Notice Procedures

Each notice to be delivered between the parties in accordance with this Part 6 will be effective if delivered in the manner agreed between the parties including, without limitation, pursuant to Section 12 of the Agreement.

(9) **Definitions**

For the purposes of this Part 6:

"Affirmation Deadline" means the later of the fifth Joint Business Day following the PR Due Date and the date on which the Portfolio Data Sending Entity provided the relevant Portfolio Data to the Portfolio Data Receiving Entity.

"Agreed Process" means any process agreed between the parties in respect of a Dispute other than the Dispute Resolution Procedure including, without limitation, the process in Section 13 of the Agreement and, where applicable, Paragraph 4 of the ISDA Credit Support Annex (Bilateral Form – Transfer) or Paragraph 5 of each of the ISDA Credit Support Deed (Bilateral Form – Security Interest) and the ISDA Credit Support Annex (Bilateral Form), in each case as may be amended between the parties.

"Credit Support Document" means any agreement between the parties for the provision of credit support or other security in respect of the Agreement, including, without limitation, the ISDA Credit Support Annex (Bilateral Form – Transfer), the ISDA Credit Support Deed (Bilateral Form – Security Interest) and the ISDA Credit Support Annex (Bilateral Form), in each case as may be amended between the parties.

"Data Delivery Date" means each date agreed as such between the parties provided that, in the absence of such agreement, the Data Delivery Date will be the Joint Business Day immediately prior to the PR Due Date.

"Data Reconciliation" means, in respect of a party receiving Portfolio Data, a comparison of the Portfolio Data provided by the other party against such party's own books and records of all outstanding Relevant Transactions between the parties in order to identify promptly any misunderstandings of Key Terms.

"Dispute" means any dispute between the parties (a) which, in the sole opinion of the party delivering the relevant Dispute Notice, is required to be subject to the Dispute Resolution Procedure (or other Agreed Process) pursuant to the Dispute Resolution Risk Mitigation Techniques and (b) in respect of which a Dispute Notice has effectively been delivered.

"Dispute Date" means, with respect to a Dispute, the date on which a Dispute Notice is effectively delivered by one party to the other party save that if, with respect to a Dispute, both parties deliver a Dispute Notice, the date on which the first in time of such notices is effectively delivered will be the Dispute Date.

"Dispute Notice" means a notice in writing which states that it is a dispute notice for the purposes of this Part 6 and which sets out in reasonable detail the issue (including, without limitation, the Relevant Transaction(s) to which the issue relates) referred to in the definition of "Dispute".

"Dispute Resolution Procedure" means the identification and resolution procedure set out in Part 6(4).

"Dispute Resolution Risk Mitigation Techniques" means the dispute resolution risk mitigation techniques for OTC derivative transactions set out in Article 11(1)(b) of EMIR as supplemented by Article 15 of Chapter VIII of the Commission Delegated

Regulation (EU) No 149/2013 of 19 December 2012 and published 23 February 2013 in the Official Journal of the European Union.

"European Union" means the economic and political union established in 1993 by the Maastricht Treaty, with the aim of achieving closer economic and political union between member states that are primarily located in Europe.

"Joint Business Day" means a day that is a Local Business Day in respect of each party.

"Key Terms" means with respect to a Relevant Transaction and a party, the Valuation of each Relevant Transaction and such other details the relevant party deems relevant from time to time which may include the effective date, the scheduled maturity date, any payment or settlement dates, the notional value of the contract and currency of the Relevant Transaction, the underlying instrument, the position of the counterparties, the business day convention and any relevant fixed or floating rates of the Relevant Transaction. For the avoidance of doubt, "Key Terms" do not include details of the calculations or methodologies underlying any term.

"London Business Day" means, in respect of a party, a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London.

"Portfolio Data" means, in respect of a party providing or required to provide such data, the Key Terms in relation to all outstanding Relevant Transactions between the parties in a form and standard that is capable of being reconciled, with a scope and level of detail that is reasonably acceptable to the other party. Unless otherwise agreed between the parties, the information comprising the Portfolio Data to be provided by a party on a Data Delivery Date will be prepared as at the close of business on the immediately preceding London Business Day of, and as specified in writing by, the party providing the Portfolio Data.

"Portfolio Data Receiving Entity" means Party B.

"Portfolio Data Sending Entity" means Party A.

"Portfolio Reconciliation Requirements" means the requirements the parties are subject to in accordance with the Portfolio Reconciliation Risk Mitigation Techniques.

"Portfolio Reconciliation Risk Mitigation Techniques" means the portfolio reconciliation risk mitigation techniques for OTC derivative transactions set out in Article 11(1)(b) of EMIR as supplemented by Article 13 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 and published on 23 February 2013 in the Official Journal of the European Union.

"PR Due Date" means each date agreed as such between the parties provided that the PR Due Date will be the PR Fallback Date where either (a) no date is agreed or (b) the agreed date occurs after the PR Fallback Date.

"PR Fallback Date" means: (a) in respect of the PR Period starting on the PR Requirement Start Date, the last Joint Business Day in such PR Period; and, otherwise, (b) the last Joint Business Day in the PR Period starting on the calendar day immediately following the last calendar day of the immediately preceding PR Period.

If there is no Joint Business Day in a PR Period, the PR Due Date will be the first Joint Business Day following the end of the PR Period.

"PR Period" means, with respect to the parties:

- (a) if the Portfolio Reconciliation Requirement requires Data Reconciliation to occur each business day, one Joint Business Day;
- (b) if the Portfolio Reconciliation Requirement requires Data Reconciliation to occur once per week, one calendar week;
- (c) if the Portfolio Reconciliation Requirement requires Data Reconciliation to occur once per quarter, three calendar months; or
- (d) if the Portfolio Reconciliation Requirement requires Data Reconciliation to occur once per year, one calendar year.

"PR Requirement Start Date" means the first calendar day on which the Portfolio Reconciliation Requirements apply mutually to the parties.

"Relevant Transaction" means any Transaction which is subject to the Portfolio Reconciliation Risk Mitigation Techniques and/or the Dispute Resolution Risk Mitigation Techniques.

"Valuation" means with respect to a Relevant Transaction, the valuation attributed to such Relevant Transaction by a party in accordance with Article 11(2) of EMIR, if any, and otherwise in accordance with Article 11(1)(b) of EMIR.

Part 7. Confidentiality Waiver

Notwithstanding anything to the contrary in this Agreement or in any non-disclosure, confidentiality or other agreement between the parties but subject to the provisions of the preceding sentence, each party hereby consents to the disclosure of information:

- (1) to the extent required or permitted under the provisions of EMIR and any applicable supporting law, rule or regulation ("*EMIR and Supporting Regulation*") which mandate reporting and/or retention of transaction and similar information or to the extent required or permitted under, or made in accordance with, any order or directive in relation to (and including) EMIR and Supporting Regulation regarding reporting and/or retention of transaction and similar information issued by any authority or body or agency in accordance with which the other party is required or accustomed to act ("*Reporting Requirements*"); or
- (2) to and between the other party's head office, branches or affiliates, or any persons or entities who provide services to such other party or its head office, branches or affiliates, in each case, in connection with such Reporting Requirements.

Each party acknowledges that pursuant to EMIR and Supporting Regulation, regulators require reporting of trade data to increase market transparency and enable regulators to monitor systemic risk to ensure safeguards are implemented globally.

Each party further acknowledges that disclosures made pursuant hereto may include, without limitation, the disclosure of trade information including a party's identity (by name, address, corporate affiliation, identifier or otherwise) to any swap or trade data repository registered in accordance with Article 55 of EMIR or recognised in accordance with Article 77 of EMIR or one or more systems or services operated by any such trade repository ("*TR*") and any relevant regulators (including without limitation, the European Securities and Markets Authority and national regulators in the European Union) under EMIR and Supporting Regulation and that such disclosures could result in certain anonymous swap transaction and pricing data becoming available to the public. Each party further acknowledges that, for purposes of complying with regulatory reporting obligations, a party may use a third party service provider to transfer trade information into a TR and that a TR may engage the services of a global trade repository regulated by one or more governmental regulators. Each party also acknowledges that disclosures made pursuant hereto may be made to recipients in a jurisdiction other than that of the disclosing party or a jurisdiction that may not necessarily provide an equivalent or adequate level of protection for personal data as the counterparty's home jurisdiction. For the avoidance of doubt, (i) to the extent that applicable non-disclosure, confidentiality, bank secrecy, data privacy or other law imposes non-disclosure requirements on transaction and similar information required or permitted to be disclosed as contemplated herein but permits a party to waive such requirements by consent, the consent and acknowledgements provided herein shall be a consent by each party for purposes of such law; (ii) any agreement between the parties to maintain confidentiality of information contained in the Agreement or in any non-disclosure, confidentiality or other agreement shall continue to apply to the extent that such agreement is not inconsistent with the disclosure of information in connection with the Reporting Requirements as set out herein; and (iii) nothing herein is intended to limit the scope of any other consent to disclosure separately given by each party to the other party.

The consenting party represents and warrants that any third party to whom it owes a duty of confidence in respect of the information disclosed has consented to the disclosure of that information.

Part 8. CFTC & SEC Representations.

For the purpose of Section 3 of this Agreement, Party B will make the following representations to Party A (which representations will be deemed to be repeated by Party B on each date on which (i) a Transaction is entered into and (ii) there is a change to the terms of an existing Transaction (including termination, assignment, novation, exchange, transfer, amendment, conveyance, or extinguishing of rights or obligations of a Transaction)).

- (i) **Not a U.S. Person.** Party B reasonably believes it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a "U.S. person" under the Applicable Regulatory Issuances.
- (ii) **Not an Affiliate Conduit or Conduit Affiliate.** Party B reasonably believes it would not be classified as an "affiliate conduit" or "conduit affiliate", in each case as defined in the Applicable Regulatory Issuances, including the Affiliate Conduit Factors.
- (iii) **No U.S. Person Guarantee.** Party B's obligations to Party A in connection with the relevant Transaction are not supported by any Guarantee (of which Party B is aware) other than any Guarantee that is provided by a person who Party B (i) reasonably believes does not fall within any of the U.S. Person Categories and (ii) believes in good faith would not otherwise be deemed to be a "U.S. person" under the Applicable Regulatory Issuances.

For the purpose of these representations:

"Affiliate Conduit Factors" means the factors identified in the Applicable Regulatory Issuances.

"Applicable Regulatory Issuances" means (i) the final rules published in the Federal Register (79 FR 39068) by the U.S. Securities and Exchange Commission that apply to any "Security Based Swap Dealer" and any "Major Security Based Swap Participant" on 9 July 2014, as may be supplemented or amended from time to time or are otherwise designated as being applicable and (ii) the Interpretive Guidance.

"Guarantee" means a "Guarantee" as provided for in the Applicable Regulatory Issuances.

"Interpretive Guidance" means the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations published by the U.S. Commodity Futures Trading Commission on 26 July 2013, as may be supplemented or amended from time to time or are otherwise designated as being applicable. The Interpretative Guidance is available at:

<http://www.cftc.gov/ucm/groups/public/@lrfederalregister/documents/file/2013-17958a.pdf>.

"U.S." means the United States, its states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and any other territories or possessions of the United States government, or enclave of the United States government, its agencies or instrumentalities.

"U.S. Person Categories" means the categories of "U.S. persons" that are provided for in the Applicable Regulatory Issuances.

Signed for and behalf of:

Lloyds Bank Corporate Markets Plc

(LEI: H7FNTJ4851HG0EX 1Z70)

By:

Name:

Title:

Date: 11 November 2020

By:

Name:

Title:

Date:

Signed for and behalf of:

Paragon Mortgages (No.28) plc

(LEI: 21380095C1VGYR3IGS08)

By:

Name:

Title:

Date:

Signed for and behalf of:

Lloyds Bank Corporate Markets Plc

(LEI: H7FNTJ4851HG0EXQ1Z70)

By:

Name:

Title:

Date:

By:

Name:

Title:

Date:

Signed for and behalf of:

Paragon Mortgages (No.28) plc

(LEI: 21380095C1VGYR3IGS08)

By:

Name:

Title:

Date:



Authorised signatory of MaplesFS UK Corporate
Director No.1 Limited
11 November 2020

APPENDIX A

FORM OF NOVATION CERTIFICATE

To: [INSERT NAME OF PARTY B] as Party B

From: [INSERT NAME OF PARTY A] as Novation Transferor

[INSERT NAME OF NOVATION TRANSFEREE] as Novation Transferee

ISDA Master Agreement (Multicurrency – Cross Border) dated as of [•] between [INSERT NAME OF PARTY A] and [INSERT NAME OF PARTY B] in respect of the [•] Class [•] Notes (the "*Agreement*")

We refer to the Agreement. Terms defined in the Agreement are used herein as so defined, unless otherwise provided herein. This is a Novation Certificate.

With effect from and including [INSERT DATE] (the "*Novation Effective Date*"), the Novation Transferor wishes to transfer by novation to the Novation Transferee, and the Novation Transferee wishes to accept the transfer by novation of, all rights, liabilities, duties and obligations of the Novation Transferor under and in respect of the Agreement, including the Transaction thereunder, with the effect that Party B and the Novation Transferee will enter into the New Agreement, including the New Transaction thereunder, each having terms identical to the Agreement and the Transaction thereunder, respectively, as more particularly described below.

1. **Transfer, Release, Discharge and Undertakings**

Provided that each of the provisions (1) – (5) (inclusive) in Part 5(q)(v) of the Schedule to the Agreement has been satisfied, with effect from and including the Novation Effective Date [and in consideration of the covenants given by Party B as set out in Part 5(q)(vi) of the Agreement [and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Novation Transferor and the Novation Transferee)]], the Novation Transferor and the Novation Transferee (as applicable) agree for the benefit of Party B that:

- (i) Party B will be released and discharged from further obligations to the Novation Transferor with respect to the Agreement, including the Transaction thereunder, other than those obligations and liabilities with respect to payments or other obligations due and payable or due to be performed by Party B on or prior to the Novation Effective Date;
- (ii) the Novation Transferor's rights against Party B with respect to the Agreement, including the Transaction thereunder, will be cancelled other than its rights with respect to payments or other obligations due and payable or due to be performed by Party B on or prior to the Novation Effective Date;

- (iii) with respect to payments or other obligations due and payable or due to be performed by the Novation Transferor on or prior to the Novation Effective Date, all such payments and obligations shall be paid or performed by the Novation Transferor in accordance with the terms of the Agreement, including the Transaction thereunder;
- (iv) the Novation Transferee will, in assuming its position under the New Agreement, including the New Transaction thereunder, which shall be identical to the position taken by the Novation Transferor under the Agreement and the Transaction thereunder respectively, undertake liabilities and obligations towards, and acquire rights against Party B under the New Agreement, including the New Transaction thereunder, which shall be identical to those the Novation Transferor had under the Agreement and the Transaction thereunder, save for any rights, liabilities or obligations of the Novation Transferor with respect to payments or other obligations due and payable or due to be performed on or prior to the Novation Effective Date; and
- (v) the New Transaction shall be governed by and form part of the New Agreement (which shall be evidenced by means of the Agreement as deemed to be modified to be consistent with Part 5(q)(v) and Part 5(q)(vi) of the Schedule to the Agreement and this Novation Certificate) and the Confirmation in respect of the Transaction (which, in conjunction and as deemed modified to be consistent with Part 5(q)(v) and Part 5(q)(vi) of the Schedule to the Agreement and this Novation Certificate, shall be deemed to be a Confirmation between Party B and the Novation Transferee).

2. Representations and Warranties

- (i) On the date of this Novation Certificate and on the Novation Effective Date:
 - (a) the Novation Transferor and the Novation Transferee represent to each other and to Party B those representations and warranties set forth in Section 3(a) of the ISDA Master Agreement (Multicurrency – Cross Border) as published in 1992 by the International Swaps and Derivatives Association, Inc. (the "**1992 ISDA Master Agreement**"), with references in such Section to "this Agreement" or "any Credit Support Document" being deemed references to this Novation Certificate alone.
 - (b) the Novation Transferor and the Novation Transferee each make to Party B the representation set forth in Section 3(b) of the 1992 ISDA Master Agreement with respect to the Agreement and the New Agreement, as the case may be, and taking into account the Novation Transferor and the Novation Transferee entering into and performing their obligations under this Novation Certificate and Parts 5(q)(v) and 5(q)(vi) (as applicable) of the Schedule to the Agreement.
 - (c) the Novation Transferor represents and warrants to the Novation Transferee and to Party B that:
 - (I) it has made no prior transfer (whether by way of security or otherwise) of the Agreement or any interest or obligation in or

under the Agreement or in respect of the Transaction thereunder;
and

- (II) as of the Novation Effective Date, all obligations of the Transferor under the Agreement and the Transaction thereunder required to be performed on or before the Novation Effective Date have been fulfilled.
- (d) the Novation Transferee represents and warrants to the Novation Transferor and to Party B that it is (i) a Moody's Eligible Replacement, and (ii) an entity whose short-term IDR or its long-term IDR (or DCR, if applicable) is then rated not less than the corresponding Supported Minimum Counterparty Rating or such Novation Transferee's obligations under the New Agreement are guaranteed by an entity whose short-term IDR or whose long-term IDR (or DCR, if applicable) is then rated not less than the corresponding Supported Minimum Counterparty Rating (provided that if neither the Novation Transferee nor its guarantor has the Unsupported Minimum Counterparty Rating at the time such transfer occurs, such Novation Transferee will post collateral to the extent required to do so in accordance with the terms of the Credit Support Annex).
- (ii) The Novation Transferor makes no representation or warranty and does not assume any responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of the New Transaction or the New Agreement or any documents relating thereto and assumes no responsibility for the condition, financial or otherwise, of Party B, the Novation Transferee or any other person or for the performance and observance by Party B, the Novation Transferee or any other person of any of its obligations under the New Transaction or the New Agreement or any document relating thereto and any and all such conditions and warranties, whether express or implied by law or otherwise, are hereby excluded.

3. Administrative details of the Novation Transferee

The administrative details of the Novation Transferee for the purposes of the New Agreement are set out in the annex to this Novation Certificate.

4. Counterparts

This Novation Certificate may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all the counterparts shall constitute one and the same instrument.

5. Costs and Expenses

Unless otherwise agreed between the Novation Transferor and the Novation Transferee, each party shall pay their own costs and expenses (including legal fees) incurred in connection with this Novation Certificate and the related novation and shall share equally any costs and expenses (including legal fees) incurred by Party B in connection with the related novation.

6.

(a) **Governing Law**

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

(b) **Jurisdiction**

The terms of Section 13(b) of the 1992 ISDA Master Agreement shall apply to this Novation Certificate with references in such Section to "this Agreement" being deemed references to this Novation Certificate alone.

ANNEX

[ONLY insert details of address and other contact details for notices of communications to Novation Transferee for purposes of Section 12(a) of the New Agreement and Novation Transferee payment account details]

IN WITNESS WHEREOF the parties have executed this Novation Certificate on the respective dates specified below with effect from and including the Novation Effective Date.

[NOVATION TRANSFEROR]

[NOVATION TRANSFEREE]

.....

.....

By:

By:

Name:

Name:

Title:

Title:

Date:

Date: