

Execution Version

PARAGON MORTGAGES (NO. 13) PLC
AS ISSUER

AND

CITICORP TRUSTEE COMPANY LIMITED
AS TRUSTEE

DEED OF AMENDMENT

RELATING TO THE TRUST DEED ORIGINALLY
DATED 26 OCTOBER 2006 (AS SUBSEQUENTLY
AMENDED BY THE FIRST SUPPLEMENTAL TRUST
DEED DATED 30 JANUARY 2013)

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THIS DEED is made on 26 February 2016

BETWEEN

- (1) **PARAGON MORTGAGES (NO. 13) PLC**, a company incorporated with limited liability in England and Wales with registered number 5393650 whose registered office is at 51 Homer Road, Solihull, West Midlands B91 3QJ (the "**Issuer**"); and
- (2) **CITICORP TRUSTEE COMPANY LIMITED**, whose principal London office is at Citigroup Centre, 14th Floor, Canada Square, Canary Wharf, London E14 5LB (the "**Trustee**" which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees in respect of the Notes).

INTRODUCTION:

- (A) The Issuer and the Trustee entered into a trust deed dated 26 October 2006 constituting the Notes, as amended by a first supplemental trust deed on 30 January 2013 (the "**Original Trust Deed**").
- (B) The Trustee has agreed to amend the Original Trust Deed by entering into this deed (the "**Deed**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

Capitalised terms in this Deed shall, except where the context otherwise requires and save where otherwise defined in this Deed, have the meanings given to them (including by reference) in the Original Trust Deed as amended by this Deed, and this Deed shall be construed in accordance with the principles of construction set out therein.

In this Deed, "**Effective Date**" shall mean 3 March 2016.

2. AMENDMENTS TO THE ORIGINAL TRUST DEED

The Parties hereby agree that with effect from the Effective Date, the Original Trust Deed shall be amended as follows:

- (a) in clause 1.1 of the Original Trust Deed, the following words shall be added after the words "the \$1,500,000,000 Class A1 mortgage backed floating rate notes due 2039" in the definition of "Class A1 Notes":

"which, on 15 July 2015 were (simultaneously with the termination of the Currency Swap A1 Agreement) converted into a GBP Equivalent at a fixed exchange rate of USD to GBP of 1.88:1 (being the applicable rate of exchange for the purposes of the definition of the "GBP Equivalent"), producing GBP Equivalent Initial Principal Amount of £797,872,340 and an A1 Note Mandatory Transfer Price and GBP Equivalent Principal Amount Outstanding of £438,385,053.19 and which, on 3 March 2016, were subsequently redenominated as GBP Class A1 Notes";

- (b) in clause 1.1 of the Original Trust Deed, the following shall be added as new paragraph 1.1(N):

"Notwithstanding anything to the contrary in this Deed, for the purposes of the definition of "outstanding", Clause 7 (*Proceedings*), Clause 9 (*Investment by Trustee*), Clause 12(P), Clause 12(W), Clause 14(HH) and Paragraphs 2, 6 and 9 of Schedule 3 (*Provisions for Meetings of Noteholders*), the Class A1 Notes will continue to be USD Notes.";

- (c) in Schedule 4 (*Terms and Conditions of the Notes*), the following amendments shall be made:

- (i) in Condition 1(a)(i)(A), the following words shall be added after the words "which comprises the \$1,500,000,000 Class A1 Notes":

"which, on 15 July 2015 were (simultaneously with the termination of the Currency Swap A1 Agreement converted into a GBP Equivalent at a fixed exchange rate of USD to GBP of 1.88:1 (being the applicable rate of exchange for the purposes of the definition of the "GBP Equivalent"), producing GBP Equivalent Initial Principal Amount of £797,872,340 and an A1 Note Mandatory Transfer Price and GBP Equivalent Principal Amount Outstanding of £438,385,053.19 and which, on 3 March 2016, were subsequently redenominated as GBP Class A1 Notes";

- (ii) in Condition 1(c) (*Denomination of the Notes*):

- (A) the words "The "**USD Notes**" (being the Class A1 Notes and the Class A2c Notes) are issued in minimum denominations of \$100,000" in the first paragraph shall be replaced with the following:

"The "**USD Notes**" (being the Class A1 Notes and the Class A2c Notes) were originally issued in minimum denominations of \$100,000 and were, in the case of the Class A1 Notes, redenominated in GBP on 3 March 2016 in minimum denominations of £50,000 and integral multiples of £1 in excess thereof"; and

- (B) the following words shall be added as a new paragraph at the end of Condition 1(c) (*Denomination of the Notes*):

"For the purposes of the definition of "Note Currency" and the calculation of GBP Equivalent, the Class A1 Notes will continue for the purposes of Condition 4(a) (*Interest Payment Dates*), Condition 4(b) (*Deferral of Interest on Class B Notes and Class C Notes, Additional Interest, Default Interest and Allocation of Interest*), Condition 4(c) (*Rate of Interest*), Condition 4(d) (*Determination of Rate of Interest and Calculation of Interest Payments and Other Interest Amounts*), Condition 5 (*Redemption and Purchase*), Condition 9 (*Events*

of Default), Condition 10 (*Enforcement and Post Enforcement Call Option*) and Condition 13 (*Meetings of Noteholders; Modifications; Consents; Waiver*) to be USD Notes.";

- (iii) in Condition 4(c)(i), the following words shall be added at the end of the definition of "Interest Determination Date": "(provided that following the A1 Note Mandatory Transfer Date, the Interest Determination Date for the Class A1 Notes shall be the first day of the Interest Period)".

3. GLOBAL A1 RULE 144A NOTE

The Parties hereby agree that with effect from the date of this Deed, the Issuer shall cease to have an obligation to maintain Global A1 Rule 144A Note with DTC.

4. NO BASIC TERMS MODIFICATION

The Issuer acknowledges and agrees that nothing in this Deed is intended to take effect as a Basic Terms Modification and accordingly, if and to the extent that any of the modifications effected by this Deed would constitute, or are subsequently established to be, a Basic Terms Modification, they shall not take effect and shall be deemed never to have taken effect.

5. FURTHER ASSURANCE

The Issuer undertakes to the Trustee to cause the Global A1 Rule 144A Note and the Global A1 Reg S Note to be marked accordingly and give such notices and instructions as the clearing systems may require to give effect to the amendments hereby.

6. ORIGINAL TRUST DEED

This Deed is supplemental to the Original Trust Deed and subject to the amendments to be effected to the Original Trust Deed hereunder, the Original Trust Deed and the Notes shall remain in full force and effect and the Original Trust Deed and this Deed shall be read and construed together as one deed.

7. ENDORSEMENT ON PRINCIPAL TRUST DEED

A memorandum of this Deed shall be endorsed on the original of the Original Trust Deed by the Trustee and on the duplicate thereof by the Issuer.

8. COUNTERPARTS

This Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

9. GOVERNING LAW

This Deed and all non-contractual obligations arising out of or in connection with it shall be governed by English law.

10. **JURISDICTION**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or the consequences of its nullity or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, it will not argue to the contrary.
- (c) This Clause 10 is for the benefit of the Trustee only. As a result, and notwithstanding paragraph (a), the Issuer acknowledges that paragraph (a) does not prevent the Trustee from taking any proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Trustee may take concurrent proceedings in any number of jurisdictions.

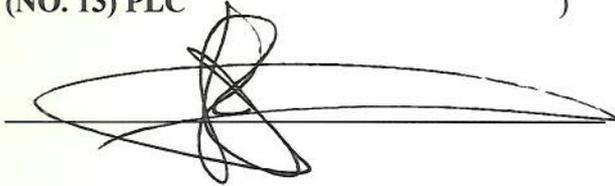
11. **THIRD PARTY RIGHTS**

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

IN WITNESS of which this Deed has been executed and delivered as a deed by the parties to it on the date above mentioned.

The Issuer

SIGNED and DELIVERED)
as a **DEED** by)
PARAGON MORTGAGES)
(NO. 13) PLC)



John A. Harvey
Director

The Trustee

SIGNED and DELIVERED)
as a **DEED** by)
CITICORP TRUSTEE COMPANY)
LIMITED)

IN WITNESS of which this Deed has been executed and delivered as a deed by the parties to it on the date above mentioned.

The Issuer

SIGNED and DELIVERED)
as a DEED by)
PARAGON MORTGAGES)
(NO. 13) PLC)

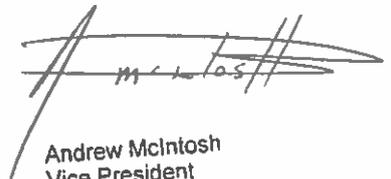
The Trustee

SIGNED and DELIVERED)
as a DEED by)
CITICORP TRUSTEE COMPANY)
LIMITED)

David Mares
Director



Witnessed by:



Andrew McIntosh
Vice President
Citibank, N.A.
25 Canada Square
Canary Wharf
London E14 5LB