

CONFIRMATION

From: BNP PARIBAS
16, Boulevard des Italiens
75009 Paris
France
Trade ID: 1528132

To: PARAGON MORTGAGES (NO.22) PLC
51 Homer Road
Solihull
West Midlands B91 3QJ

Attention: Swaps Administration, Finance Department

CITICORP TRUSTEE COMPANY LIMITED
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Attention: Agency & Trust

Dear Sirs

Currency Swap A1 Agreement

Paragon Mortgages (No.22) PLC

The purpose of this letter is to confirm the terms and conditions of the swap transactions entered into between us on the Trade Date specified below (the "**Swap Transactions**"). This letter constitutes a "Confirmation" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us and both of you in connection with the Class A1 Notes (the "**Relevant Notes**") on the date of this Confirmation as amended and supplemented from time to time (the "**Agreement**").

The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation shall prevail. Any terms not otherwise defined herein or in the Definitions shall have the meanings given to them in the Agreement, in the Conditions (as defined in the Deed of Charge) and in the Relevant Documents (as defined in Condition 3).

This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in, incorporated in, or incorporated by reference to, the Agreement shall govern this Confirmation except as expressly modified below.

For the avoidance of doubt, the amount of any payment obligations in respect of the Swap Transactions will be determined subject to the provisions of Part 5(1) (*Security, Enforcement and Limited Recourse*) of the schedule to the Agreement.

EXECUTION VERSION

The terms of the particular Swap Transactions to which this Confirmation relates are as follows:

Party A: BNP Paribas

Party B: Paragon Mortgages (No.22) PLC.

Trade Date: 17 March 2015

Effective Date: 25 March 2015

Termination Date: The earlier of (a) the Interest Payment Date falling in September 2042, or (b) the date on which the Relevant Notes are redeemed or repaid in full.

A1 Interest Payment Date: 15 March, 15 June, 15 September and 15 December of each year, adjusted in accordance with the Following Business Day Convention, commencing on 15 June 2015.

Business Day: London and TARGET Settlement Day

EUR Amortisation Amount: In respect of an Interest Payment Date, the amount (in EUR) to be applied in repayment of the principal amount of the Relevant Notes on such Interest Payment Date as notified to the Calculation Agent by the Administrator at least two Business Days prior to the relevant Interest Payment Date.

Exchange Rate: GBP 1.00: EUR 1.4040

Party A Currency: EUR

Floating Payments

Floating Amounts for Party A:

Floating Rate Payer: Party A.

Party A Currency Amount: As at any Party A Payment Date, EUR 164,000,000 minus the aggregate of each Party A Interim Exchange Amount made prior to such date as determined by the Administrator.

Party A Payment Dates: Each A1 Interest Payment Date.

Floating Rate Option: EUR-EURIBOR-Reuters

Designated Maturity: Three months; except for the initial Calculation Period in respect of which linear interpolation

shall be applicable. Linear interpolation shall be applied by reference to the two month and three month rates.

Spread A: Up to (but excluding) the Step Up Date, 0.50 per. cent. per annum and from (and including) the Step Up Date, 1.00 per. cent. per annum.

Party A Floating Rate Day Count Fraction: Actual/360

Reset Dates: The first day of each Calculation Period.

Floating Amounts for Party B:

Floating Rate Payer: Party B.

Party B Currency Amount: As at any Party B Payment Date, GBP 116,809,116.81 minus the aggregate of each Party B Interim Exchange Amount made prior to such date.

Party B Payment Dates: Each A1 Interest Payment Date.

Floating Rate Option: GBP-LIBOR-BBA.

Designated Maturity: Three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the two month and three month rates.

Spread B: Up to (but excluding) the Step Up Date, 1.04 per. cent. per annum and from (and including) the Step Up Date, 2.08 per. cent. per annum.

Party B Floating Rate Day Count Fraction: Actual/365 (Fixed)

Reset Dates: The first day of each Calculation Period.

Calculation Agent: Party A.

Initial Exchange

Initial Exchange Date: Effective Date.

Party A Initial Exchange Amount: GBP 116,809,116.81

Party B Initial Exchange Amount: EUR 164,000,000

Interim Exchange

EXECUTION VERSION

Interim Exchange Date: Each Interest Payment Date on which the EUR Amortisation Amount is to be applied in or towards repayment of the principal amount of the Relevant Notes (as advised to Party A by the Administrator).

Party A Interim Exchange Amount: The EUR Amortisation Amount.

Party B Interim Exchange Amount: In respect of any Interim Exchange Date, an amount in GBP equal to the Party A Interim Exchange Amount converted to GBP at the Exchange Rate.

Final Exchange

Final Exchange Date: Termination Date.

Party A Final Exchange Amount: A EUR amount equal to the Party B Final Exchange Amount converted into EUR at the Exchange Rate.

Party B Final Exchange Amount: The Party B Currency Amount.

Account Details

Payments to Party A:

Account for Payments in EUR: Correspondent Bank: BNP PARIBAS PARIS
SWIFT BIC: BNPAFRPP
Account: FR28 3000 4056 5800 0008 8802 R77

Account for Payments in GBP: Correspondent Bank: BARCLAYS BANK PLC, LONDON
Sort Code: 20-32-53
SWIFT BIC: BARCGB22
Account: GB10BARC20325320311944
SWIFT: Entity 8174

Payments to Party B:

Account for Payments in EUR Citibank N.A., London – CITIGB2L
SWIFT: CITIGB2L
Account No.: 8378339
IBAN: GB57CITI118500808378339
Ref: XS1196528399/ Paragon Mortgages (No.22) PLC

Account for Payments in GBP Citibank N.A., London
SWIFT: CITIGB2L

Account No.: 17095082
Sort Code: 18-50-08
Favour: Paragon Mortgages (No.22) PLC
Transaction Account

SWIFT: MIDLGB22
Account No.: 35165901
Sort Code: 40-05-15
IBAN: GB31MIDL40051535165901
Ref: Macquarie warehouse repayment – PM22

SWIFT: LOYDGB22TSY
Account No.: 00002727
Sort Code: 30-15-57
IBAN: GB05LOYD30155700002727
Ref: Lloyds warehouse repayment – PM22

Offices:

The Office of Party A for each of the Transactions evidenced by this Confirmation is Paris.

Yours faithfully,

Signed for and on behalf of:

BNP Paribas

On

By: 
STEFANO BELTRAMINI
AUTHORISED SIGNATORY

Name

Signed for and on behalf of:

BNP Paribas

On

By: 
DOMINIC HICKEY
AUTHORISED SIGNATORY

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.22) PLC

On

By: _____

Name

Signed for and on behalf of:

Citicorp Trustee Company Limited

On

By: _____

Name

EXECUTION VERSION

Yours faithfully,

Signed for and on behalf of: **BNP Paribas**

On _____ By: _____

Name

Signed for and on behalf of: **BNP Paribas**

On _____ By: _____

Name

Confirmed as of the date indicated at the start of this Confirmation:

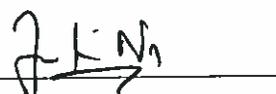
Signed for and on behalf of: **Paragon Mortgages (No.22) PLC**

On *25 March 2015* By: 

Claudia Wallace

Name per pro SFM Directors Limited
as Director

Signed for and on behalf of: **Citicorp Trustee Company Limited**

On *25 March 2015* By: 

Name *JUSTIN NG*