

NOTICE

FOR IMMEDIATE RELEASE

PARAGON MORTGAGES (NO.10) PLC

51 Homer Road, Solihull, West Midlands, B91 3QJ
a company incorporated in England and Wales
(registered number 4514738)

\$1,100,000,000 Class A1 Notes Due 2041
£105,000,000 Class A2a Notes Due 2041
€222,000,000 Class A2b Notes Due 2041
£31,000,000 Class B1a Notes Due 2041
€19,500,000 Class B1b Notes Due 2041
£51,500,000 Class C1a Notes Due 2041
€27,500,000 Class C1b Notes Due 2041
(the "Notes")

1. BACKGROUND

(a) Reference is made in this notice (the "Notice") to:

- (i) the A1 note conditional purchase agreement entered into between, *inter alios*, Sheffield Receivables Corporation (the "**A1 Note Conditional Purchaser**"), Barclays Bank PLC ("**Barclays**"), Paragon Mortgages No.10 PLC (the "**Issuer**") and Citicorp Trustee Company Limited (the "**Trustee**") on 17 November 2005, as amended and restated on 2 December 2005 and as further amended on 16 April 2007 and 11 September 2008 (the "**A1 Note Conditional Purchase Agreement**");
- (ii) the trust deed entered into between the Issuer and Trustee on 17 November 2005 as supplemented on 6 August 2010 and on 30 January 2013 (the "**Trust Deed**") and the terms and conditions of the Notes in Schedule 4 of the Trust Deed (the "**Conditions**");
- (iii) the remarketing agreement entered into between, *inter alios*, Barclays Bank PLC ("**Barclays**"), Paragon Mortgages No.10 PLC (the "**Issuer**") and Citicorp Trustee Company Limited (the "**Trustee**") on 17 November 2005, as amended on 12 September 2007 and 11 September 2008 (the "**Remarketing Agreement**");
- (iv) the notices issued by the Issuer via the RNS on:
 - (A) 26 August 2016, pursuant to which it was announced that in accordance with clause 5.2 of the Remarketing Agreement (i) a Remarketing Termination Event pursuant to clause 5.1.2 of the Remarketing Agreement occurred and (ii) the appointment of the Remarketing Agent under the Remarketing Agreement was terminated in accordance with clause 5.3 of the Remarketing Agreement; and

- (B) 21 September 2016, pursuant to which it was announced that in accordance with, *inter alia*, the A1 Note Conditional Purchase Agreement and the Trust Deed, the Class A1 Notes were purchased by the A1 Note Conditional Purchaser on 15 September 2016 (such purchase being the "**A1 Note Conditional Purchase**") and that as a result of the A1 Note Conditional Purchase, any payments of principal or interest in respect of the Class A1 Notes are made in sterling on each Interest Payment Date using a principal amount outstanding on the 15 September 2016 of £45,126,442.91 at the interest rate of three month GBP LIBOR plus 9 basis points,

(such notices being the "**Previous Notices**").

- (b) Capitalised terms used in this Notice that are not defined herein have the meaning given to them in the A1 Conditional Note Purchase Agreement and the Trust Deed as applicable.
- (c) This Notice should be read in conjunction with the Previous Notices (of 26 August 2016 and 21 September 2016).

2. **NOTIFICATION OF AMENDMENTS MADE TO THE TRUST DEED BY THE ISSUER**

- (a) Pursuant to the arrangements made in accordance with, *inter alia*, the A1 Notes Conditional Purchase Agreement, the Remarketing Agreement, the Trust Deed and the Currency Swap A1 Agreement, the Class A1 Notes were purchased by the A1 Note Conditional Purchaser on 15 September 2016. As a result of the occurrence of the A1 Note Conditional Purchase, with effect from 15 September 2016, all payments of principal or interest in respect of the Class A1 Notes are now made in GBP and the interest rate on the Class A1 Notes is 3 months GBP LIBOR plus a margin of 9 basis points. This was announced via an RNS on the London Stock Exchange on 21 September 2016.
- (b) The Issuer hereby notifies the investors that on 28 September 2016, the Issuer and the Trustee entered into an amendment deed (the "**Deed of Amendment**") in respect of the Trust Deed dated 17 November 2005 as supplemented on 6 August 2010 and on 30 January 2013.
- (c) The amendments made pursuant to the Deed of Amendment become effective on 28 September 2016 and were made in order to:
- (i) remove an obligation for any subsequent transferee of the A1 Notes to execute an accession deed (in the form contained in Schedule 3 (Form of Accession Deed) of the A1 Note Conditional Purchase Agreement) prior to the relevant transfer;
 - (ii) enable the clearing systems to "re-badge" the Class A1 Notes from USD into GBP thus conforming the actual currency of payments in respect of the Class A1 Notes to the description of currency used by the clearing systems;
 - (iii) remove the requirement to hold the Class A1 Notes in DTC; and

- (iv) clarify the provisions on the Interest Determination Date so as to align such provisions with the convention for the other Notes which have originally been denominated in GBP, namely, that the Interest Determination Date is the first day of each Interest Period.

A copy of the Deed of Amendment associated with this Notice may be inspected in physical form at the registered office of the Issuer and during usual business hours on any day that is not a Saturday, Sunday or public holiday or upon request in electronic form from the Issuer for a period of 7 days from the date of this Notice.

Dated 4 October 2016

For further information, please contact:

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Attention: The Directors