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This Notice contains important information of interest to the registered and beneficial owners of the Notes and the Residual Certificates (each as defined below). If applicable, all depositaries, custodians and other intermediaries receiving this Notice are requested to pass this Notice to such beneficial owners in a timely manner. If you have recently sold or otherwise transferred your entire holding(s) of Notes or Residual Certificates referred to below, you should immediately forward this Notice to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This Notice is addressed only to holders of the Notes and the Residual Certificates (each as defined below) and persons to whom it may otherwise be lawful to distribute it ("relevant persons"). It is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Notice relates is available only to relevant persons and will be engaged in only with relevant persons. If you are in any doubt as to the action you should take, you are recommended to seek your own financial and legal advice, including in respect of any tax consequences, immediately from your stockbroker, bank manager, solicitor, accountant or other financial, tax or legal adviser authorised under the Financial Service and Markets Act 2000, as amended (if you are in the United Kingdom), or from another appropriately authorised independent financial adviser and such other professional advice from your own professional advisers as you deem necessary.

PARAGON MORTGAGES (NO.26) PLC

*(incorporated with limited liability in England and Wales with registered number: 11727898)
(the "Issuer")*

NOTICE

to the holders of all of the outstanding

**£383,489,000 Class A1 Mortgage Backed Floating Rate Notes due May
2045**

(ISIN: XS1938530646, Common Code: 193853064)
(the "Class A1 Notes")

£151,540,000 Class A2 Mortgage Backed Floating Rate Notes due May 2045

(ISIN: XS1938530729, Common Code: 193853072)
(the "Class A2 Notes")

£24,741,000 Class B Mortgage Backed Floating Rate Notes due May 2045

(ISIN: XS1938531024, Common Code: 193853102)
(the "Class B Notes")

£18,555,000 Class C Mortgage Backed Floating Rate Notes due May 2045

(ISIN: XS1938531370, Common Code: 193853137)
(the "Class C Notes")

£20,102,000 Class D Mortgage Backed Floating Rate Notes due May 2045

(ISIN: XS1938531701, Common Code: 224346417)
(the "Class D Notes")

£20,105,000 Class Z Mortgage Backed Floating Rate Notes due May 2045

(ISIN: XS1938532006, Common Code: 193853200)
(the "Class Z Notes")

£10,177,000 Class S Mortgage Backed Floating Rate Notes due May 2045

(ISIN: XS1938532261, Common Code: 193853226)
(the "Class S Notes")

and

£9,477,658 Class S Variable Funding Note due May 2045

(the "Class S VFN" and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class Z Notes and the Class S Notes, the "Notes")

and all of the outstanding

100 RC1a Residual Certificates

(ISIN: XS1940985291, Common Code: 194098529)
(the "RC1a Residual Certificates")

100 RC1b Residual Certificates

(ISIN: XS1940986265, Common Code: 194098626)
(the "RC1b Residual Certificates")

100 RC2a Residual Certificates

(ISIN: XS1940987230, Common Code: 194098723)
(the "RC2a Residual Certificates")

and

100 RC2b Residual Certificates

(ISIN: XS1940987404, Common Code: 194098740)
(the "RC2b Residual Certificates" and, together with the RC1a Residual Certificates, the RC1b Residual Certificates and the RC2a Residual Certificates, the "Residual Certificates")

issued by the Issuer

We refer to the trust deed between the Issuer and Citicorp Trustee Company Limited, as trustee for the Noteholders and the Residual Certificateholders (the "**Trustee**"), dated 3 July 2019 (the "**Trust Deed**"), pursuant to which the Notes and the Residual Certificates were constituted, the terms and conditions of the Notes (the "**Conditions**") and the terms and conditions of the Residual Certificates (the "**Residual Certificates Conditions**"). Capitalised terms used but not defined in this notice have the meanings and constructions ascribed to them in the Conditions or the Residual Certificates Conditions or set out in the Trust Deed, unless otherwise specified.

NOTICE IS HEREBY GIVEN to the holders of the Notes and the Residual Certificates that, pursuant to Condition 13 (*Meetings of Noteholders and Residual Certificateholders; Modifications; Consents; Waiver*), Residual Certificates Condition 12 (*Meetings of Noteholders and Residual Certificateholders; Modifications; Consents; Waiver*), and clause 20 (*Waiver; Authorisation; Determination; Modification*) of the Trust Deed, on 16 March 2023, the Trustee:

1. authorised the entry by the Issuer into:
 - (a) a 1992 ISDA Master Agreement, together with a schedule thereto, with Banco Santander S.A., London Branch (the "**New Basis Hedge Provider**") and a 1995 ISDA Credit Support Annex (Bilateral Form - Transfer) in support of Banco Santander S.A., London Branch's obligations thereunder (the "**New Basis Hedge Agreement**");
 - (b) a delegated reporting agreement between the Issuer and the New Basis Hedge Provider (the "**Delegated Reporting Agreement**"); and
 - (c) a deed supplemental to the Deed of Charge pursuant to which the New Basis Hedge Provider acceded to the Deed of Charge (the "**Accession Undertaking**"); and
2. entered into the Accession Undertaking with the New Basis Hedge Provider and the other parties thereto,

on the basis that, in its opinion, the interests of the Noteholders and the Residual Certificateholders will not be materially prejudiced thereby.

Copies of the Trust Deed, the Conditions, the Residual Certificates Conditions, the New Basis Hedge Agreement and the Accession Undertaking are available on request to the Issuer at the address set out at the end of this Notice.

This Notice is given by

Paragon Mortgages (No.26) plc as Issuer
51 Homer Road
Solihull
West Midlands
B91 3QJ

28 March 2023

or visit www.rns.com.

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