



International Swaps and Derivatives Association, Inc.

## AMENDMENT

dated \_\_\_\_ June 2021

to the

## 2002 ISDA MASTER AGREEMENT

dated as of 20 March 2018

between

**NATIXIS, LONDON BRANCH ("Party A")**

and

**PRECISE MORTGAGE FUNDING 2018-2B PLC ("Party B")**

(the "**Agreement**")

The parties have previously entered into the Agreement, such term includes reference to the Credit Support Annex dated as of 20 March 2018 between Party A and Party B (the "**Original Credit Support Annex**") and the Confirmation dated as of 20 March 2018 between Party A and Party B (the "**Original Confirmation**") and have now agreed to amend the Agreement (as amended, restated or supplemented from time to time) by the terms of this amendment (this "**Amendment**").

Accordingly, in consideration of the mutual agreements contained in this Amendment, the parties agree as follows:

### **1. Amendment to the Agreement**

With effect from the date of this Amendment:

- (a) the Original Confirmation is deleted in its entirety and replaced with the confirmation set out in Schedule 1 (the "**Amended and Restated Confirmation**");
- (b) the Transaction governed by the Original Confirmation (the "**Original Transaction**") will be governed by the Amended and Restated Confirmation;
- (c) paragraph 11 of the Original Credit Support Annex is deleted in its entirety and replaced with the paragraph 11 as set out in Schedule 2; and
- (d) the provisions contained in the revised paragraph 11 set out in Schedule 2 will apply to the Original Transaction.

## **2. Representations**

Each party represents to the other party in respect of the Agreement, as amended pursuant to this Amendment, that all representations made by it pursuant to the Agreement are true and accurate as of the date of this Amendment.

## **3. Miscellaneous**

### **(a) *Entire Agreement; Restatement.***

- (i) This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.
- (ii) Except for any amendment to the Agreement made pursuant to this Amendment, all terms and conditions of the Agreement will continue in full force and effect in accordance with its provisions on the date of this Amendment. References to the Agreement will be to the Agreement, as amended by this Amendment.

(b) ***Amendments.*** No amendment, modification or waiver in respect of the matters contemplated by this Amendment will be effective unless made in accordance with the terms of the Agreement.

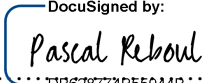
(c) ***Counterparts.*** This Amendment may be executed and delivered in counterparts (including transmission by facsimile, electronic messaging system or e-mail), each of which will be deemed an original.

(d) ***Headings.*** The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

(e) ***Governing Law.*** This Amendment and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

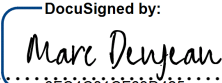
IN WITNESS WHEREOF the parties have executed this Amendment on the respective dates specified below with effect from the date of this Amendment as specified on the first page.

.....  
**NATIXIS, LONDON BRANCH**

By:  .....  
Name: DB628774B55944B...

Title:


Date:

By:  .....  
Name: 6FC4C81CF63B425...

Title:

Date:

.....  
**PRECISE MORTGAGE FUNDING 2018-2B  
PLC**

DocuSigned by:  
  
By: .....  
2246A3983D24489...  
Name:

Title:

Date:

## Schedule 1

### Fixed Rate Swap Confirmation

From: NATIXIS, London Branch

To: Precise Mortgage Funding 2018-2B plc  
Att: The Directors  
1 Bartholomew Lane  
London  
EC2N 2AX

Cc: Charter Court Financial Services Limited  
Att: The Company Secretary  
2 Charter Court  
Broadlands  
Wolverhampton  
WV10 6TD  
United Kingdom

20 March 2018, as amended  
and restated on \_\_\_\_ June  
2021

Dear Sir/ Madam

### Re: Precise Mortgage Funding 2018-2B plc - Fixed Rate Swap

Our Reference: 1030309904SFOSWAP9622690M0000B14B000000000

The purpose of this letter (this **Confirmation**) is to amend and restate with effect from \_\_\_\_ June 2021 (the **Amendment Effective Date**), the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below and previously evidenced by a confirmation dated 20 March 2018 (the **Original Confirmation**). This amended and restated Confirmation shall be effective from the Amendment Effective Date, without prejudice to any payment made pursuant to the terms of the Original Confirmation prior to the Amendment Effective Date.

The definitions and provisions contained in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (the **2006 Definitions**), are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

This Confirmation constitutes a 'Confirmation' as referred to in, and supplements, forms part of, and is subject to, the 2002 ISDA Master Agreement dated as of 20 March 2018, as amended and supplemented from time to time (the Agreement), between NATIXIS, London Branch (**Party A**) and Precise Mortgage Funding 2018-2B plc (**Party B**). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

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

#### 1. General Terms

Notional Amount

The amount set out in the attached Notional Schedule in respect of the relevant Calculation

	Period.
Trade Date	12 March 2018
Effective Date	20 March 2018
Termination Date	12 March 2023, subject to adjustment in accordance with the Modified Following Business Day Convention
<b>Fixed Amounts</b>	
Fixed Rate Payer	Party B
Fixed Rate Payer Payment Dates	Quarterly on the 12th day of March, June, September and December of each year commencing on 12 June 2018 up to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Rate	<p>(i) in respect of each Calculation Period commencing prior to the Fixed Rate Payer Payment Date falling in March 2022: 1.299 per cent.; and</p> <p>(ii) in respect of each Calculation Period commencing on or after the Fixed Rate Payer Payment Date falling in March 2022: _____.</p>
Fixed Rate Day Count Fraction	Actual/365 (Fixed)
Business Days	London
<b>Floating Amounts</b>	
Floating Rate Payer	Party A
Floating Rate Payer Payment Dates	Quarterly on the 12th day of March, June, September and December of each year commencing on 12 June 2018 up to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
	Any stub periods will be subject to Linear Interpolation
Floating Rate Option	<p>(i) in respect of each Calculation Period commencing prior to the Floating Rate Payer Payment Date falling in March 2022: GBP-LIBOR-BBA; and</p>

- (ii) in respect of each Calculation Period commencing on or after the Floating Rate Payer Payment Date falling in March 2022: Compounded Daily SONIA.

#### Compounded Daily SONIA

The rate for a Reset Date will be the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the Reset Date in respect of each relevant Calculation Period, as follows, and the resulting percentage will be rounded if necessary to the one ten thousandth of a percentage point (0.0001%):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

"d" is the number of calendar days in the relevant Calculation Period;

"d<sub>o</sub>" is the number of LBD in the relevant Calculation Period;

"i" is a series of whole numbers from one to d<sub>o</sub>, each representing the relevant LBD in chronological order from, and including, the first LBD in the relevant Calculation Period;

"LBD" means a Business Day;

"n<sub>i</sub>", for any day "i", means the number of calendar days from and including such day "i" up to but excluding the following LBD;

"**Observation Period**" means the period from and including the date falling "p" LBD prior to the first day of the relevant Calculation Period (and the first Calculation Period for the purposes of determining Compounded Daily SONIA shall begin on and include the Floating Rate Payer Payment Date falling in March 2022) and ending on, but excluding, the date falling "p" LBD prior to the Floating Rate Payer Payment Date for such Calculation Period;

"p" means for any Calculation Period, 5 LBD;

"**Screen**" means the Refinitiv Screen SONIA Page

or such other page as may replace Refinitiv Screen SONIA Page on that service for the purpose of displaying such information or if that service ceases to display such information, such page as displays such information on such service as may replace such screen;

"**SONIA<sub>i-p</sub>LBD**" means in respect of any LBD falling in the relevant Calculation Period, the SONIA Reference Rate for the LBD falling "p" LBDs prior to that LBD "i"; and

"**SONIA Reference Rate**" means in respect of any LBD, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such LBD as provided by the administrator of SONIA to, and published by such authorised distributors of the rate as at 9.00 am London time, on the Screen or, if the Screen is unavailable, as otherwise published by such authorised distributors (on the LBD immediately following such LBD).

If, in respect of any LBD in the relevant Observation Period, the Calculation Agent determines that the SONIA Reference Rate is not available on the Screen or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant LBD; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the provisions of this Confirmation, in the event the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

Designated Maturity

In respect of GBP-LIBOR-BBA, 3 months with the exception of the initial Calculation Period which



will be the linear interpolation of the 2 month and 3 month GBP LIBOR.

Floating Rate Day Count Fraction

Actual/365 (Fixed)

Reset Dates

- (i) in respect of each Calculation Period commencing prior to the Floating Rate Payer Payment Date falling in March 2022: the first day of such Calculation Period; and
- (ii) in respect of each Calculation Period commencing on or after the Floating Rate Payer Payment Date falling in March 2022: 5 Business Days prior to the end of such Calculation Period (and the first Calculation Period for the purposes of determining Compounded Daily SONIA shall begin on and include the Floating Rate Payer Payment Date falling in March 2022).

Business Days

London

Spread

None.

Calculation Agent

As per the ISDA Master Agreement

## **2. Account Details**

Payments to Party A

NATIXIS, London Branch

Account name: Natixis (Natixis Capital Markets) (NATXFRPPMAR)

Bank: Citibank N.A., London (CITIGB2L)

S/C: 18-50-08

A/C No: GB11CITI18500811857878

Payments to Party B

Precise Mortgage Funding 2018-2B plc

Bank: Citibank N.A., London Branch

S/C: 18-50-08

A/C No: 18807442

## **3. Offices**

The Office of Party A for the Swap Transaction is London

The Office of Party B for the Swap Transaction is London

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Swap Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

Name:

Title:

For and on behalf of

**NATIXIS, London Branch**

Confirmed as of the  
date first written:

**Precise Mortgage Funding 2018-2B plc**

Name:

Title:

Name:

Title:

## NOTIONAL SCHEDULE

<b>Calculation Period commencing from (and including) (without regard to any adjustment for a Business Day Convention)</b>	<b>Calculation Period ending on (and excluding) (without regard to any adjustment for a Business Day Convention)</b>	<b>Notional Amount GBP</b>
Effective Date	12 June 2018	244,521,527
12 June 2018	12 September 2018	236,261,882
12 September 2018	12 December 2018	224,219,625
12 December 2018	12 March 2019	205,990,665
12 March 2019	12 June 2019	196,263,951
12 June 2019	12 September 2019	186,264,632
12 September 2019	12 December 2019	173,997,921
12 December 2019	12 March 2020	148,268,711
12 March 2020	12 June 2020	137,217,702
12 June 2020	14 September 2020	136,409,995
14 September 2020	14 December 2020	136,264,421
14 December 2020	12 March 2021	134,993,233
12 March 2021	14 June 2021	131,825,752
14 June 2021	13 September 2021	128,262,938
13 September 2021	13 December 2021	126,628,400
13 December 2021	14 March 2022	123,235,223
14 March 2022	13 June 2022	116,155,472
13 June 2022	12 September 2022	102,619,388
12 September 2022	12 December 2022	85,759,822
12 December 2022	Termination Date	26,266,662

## Schedule 2

### CREDIT SUPPORT ANNEX

between

**NATIXIS, LONDON BRANCH**  
("Party A")

and

**PRECISE MORTGAGE FUNDING 2018-2B PLC**  
("Party B")

#### Paragraph 11. Elections and Variables

(a) **Base Currency and Eligible Currency.**

(i) "Base Currency" means Pounds Sterling.

(ii) "Eligible Currency" means the Base Currency, USD and EUR.

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount.**

(A) "Delivery Amount" has the meaning specified in Paragraph 2(a), as amended (I) by deleting the words "upon a demand made by the Transferee on or promptly following a Valuation Date" and replacing the word "that" on the second line of Paragraph 2(a) with the word "a" and (II) by deleting in its entirety the sentence beginning "Unless otherwise specified in Paragraph 11(b)" and inserting in lieu thereof the following:

"The "Delivery Amount" applicable to the Transferor for any Valuation Date will equal the greatest of:

- (1) the amount by which (a) the Fitch Credit Support Amount exceeds (b) the Value (determined using the Fitch Valuation Percentages in Appendix A) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date); and
- (2) the amount by which (a) the Moody's Credit Support Amount exceeds (b) the Value (determined using the Moody's Valuation Percentages in Appendix B) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date),

provided that, if, on any Valuation Date, the Delivery Amount equals or exceeds the Transferor's Minimum Transfer Amount, the Transferor will transfer to the Transferee sufficient Eligible Credit Support to ensure that, immediately following such transfer, the Delivery Amount shall be zero."

- (B) **"Return Amount"** has the meaning as specified in Paragraph 2(b) as amended by deleting in its entirety the sentence beginning "Unless otherwise specified in Paragraph 11(b) " and inserting in lieu thereof the following:

"The **"Return Amount"** applicable to the Transferee for any Valuation Date will equal the least of:

- (1) the amount by which (a) the Value (determined using the Fitch Valuation Percentages in Appendix A) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds (b) the Fitch Credit Support Amount for such Valuation Date; and
- (2) the amount by which (a) the Value (determined using the Moody's Valuation Percentages in Appendix B) as of such Valuation Date of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds (b) the Moody's Credit Support Amount for such Valuation Date.",

provided that in no event shall the Transferee be required to transfer any Equivalent Credit Support under Paragraph 2(b) if, immediately following such transfer, the Delivery Amount would be greater than zero.

- (C) **"Credit Support Amount"** means the Moody's Credit Support Amount or Fitch Credit Support Amount, as applicable.

(ii) **Eligible Credit Support.** On any date:

- (A) for the purpose of Fitch, the collateral specified in the table in Appendix A will qualify as **"Eligible Credit Support"** for Party A and the Fitch Valuation Percentages shall apply as set out in such table; and
- (B) for the purpose of Moody's, the collateral specified in the table in Appendix B will qualify as **"Eligible Credit Support"** for Party A and Moody's Valuation Percentages shall apply as set out in such table.

**"Valuation Percentage"** means Fitch Valuation Percentage or Moody's Valuation Percentage, as the context requires.

(iii) **Thresholds.**

- (A) **"Independent Amount"** means, with respect to Party A and Party B, zero.
- (B) **"Threshold"** means, with respect to Party A: infinity, unless (1) the Fitch Threshold is zero or (2) the Moody's Threshold is zero, in which case **"Threshold"** means, with respect to Party A: zero; and

**"Threshold"** means, with respect to Party B: infinity.

**"Fitch Threshold"** means, (1) for so long as (i) an Initial Fitch Rating Event or a Subsequent Fitch Rating Event has occurred and is continuing, (ii) the relevant Fitch

Collateral Remedy Period (if any) has expired, and (iii) Party A has not taken remedial action as contemplated by Part 5(d)(II)(b) or Part 5(d)(III)(a) of the Schedule to the Agreement, zero and (2) at any other time, infinity.

**"Moody's Threshold"** means, (1) so long as the Collateral Trigger Requirements apply and either (i) the Collateral Trigger Requirements have applied continuously since this Annex was executed or (ii) at least 30 Local Business Days have elapsed since the last time the Collateral Trigger Requirements did not apply, zero and (2) at any other time, infinity.

(C) **"Minimum Transfer Amount"** means, with respect to Party A and Party B, GBP 50,000; provided, that if (1) an Event of Default has occurred and is continuing in respect of which Party A or Party B is the Defaulting Party, or (2) an Additional Termination Event has occurred in respect of which Party A or Party B is an Affected Party, "Minimum Transfer Amount" means, with respect to the Defaulting Party and/or the Affected Party, as applicable, zero.

(D) **"Rounding"**. The Delivery Amount will be rounded up to the nearest integral multiple of GBP 10,000 and the Return Amount will be rounded down to the nearest integral multiple of GBP 10,000. If the Credit Support Amount is zero then Rounding under this Paragraph 11(b)(iii)(D) shall not apply.

(c) **Valuation and Timing.**

(i) **"Valuation Agent"** means Party A or, if the Valuation Agent is a Defaulting Party and Party B has, by way of written notice to Party A, nominated another entity as Valuation Agent, such other entity.

(ii) **"Valuation Date"** means each Local Business Day provided that on such day either (i) the Threshold for Party A is zero or (ii) Party A's Threshold changed from zero to infinity.

(iii) **"Valuation Time"** means the close of business in the city of the Valuation Agent on the Local Business Day immediately preceding the Valuation Date or date of calculation, as applicable; provided that the calculations of Value and Exposure will, as far as practicable, be made as of approximately the same time on the same date.

(iv) **"Notification Time"** means by 1.00p.m., London time, on a Local Business Day.

(v) **Calculations.** Paragraph 3(b) shall be amended by inserting the words ", Fitch Credit Support Amount, Moody's Credit Support Amount" after the word "Value".

(vi) **Value.** Paragraph (i)(B) of the definition of "Value" shall be deleted in its entirety and replaced with the following: "(i)(B) a security, the Base Currency Equivalent of the bid price obtained by the Valuation Agent (or, if the Valuation Agent is a Defaulting Party and the Transferee has, by way of written notice to the Valuation Agent, nominated another entity to calculate the Value of securities (and such entity has accepted such nomination in writing), such entity, provided that the Valuation Agent shall have no liability to any person in respect of any determination made by such other entity) multiplied by the applicable Valuation Percentage, if any; and".

(d) **Exchange Date.** "Exchange Date" has the meaning specified in Paragraph 3(c)(ii).

(e) **Dispute Resolution.**

(i) **"Resolution Time"** means 1.00 p.m., London time, on the Local Business Day following the date on which notice is given that gives rise to a dispute under Paragraph 4.

(ii) Paragraph 4(a)(4)(i)(B) will be deleted and will be replaced with the following:

"(B)calculating that part of the Exposure attributable to the Transactions in dispute by seeking four actual quotations at mid-market from third parties for purposes of calculating the relevant Close-out Amount, and taking the arithmetic average of those obtained; provided that if four quotations are not available for a particular Transaction, then fewer than four quotations may be used for that Transaction, and if no quotations are available for a particular Transaction, then the Valuation Agent's original calculations will be used for that Transaction; and"

(iii) "**Value**". For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the outstanding Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, on the relevant date, will be calculated as follows:

(A) with respect to any cash, the Base Currency Equivalent of the amount thereof, multiplied by the applicable Valuation Percentage.

(iv) "**Alternative**". The provisions of Paragraph 4 will apply.

(f) **Interest Amount.**

(i) **Interest Rate.** The "Interest Rate", with respect to the Eligible Currency specified below will be:

<i>Eligible Currency</i>	<i>Interest Rate</i>
GBP	SONIA
EUR	€STR <i>plus</i> 0.085%
USD	Fed Funds

"**€STR**" means, in respect of any day, the Euro Short Term Rate (EUROSTR) administered by the European Central Bank ("**ECB**") (or any successor administrator) and published on the ECB's website for that day.

"**Fed Funds**" means the Federal Funds (Effective) rate published in N.Y. Federal Reserve Statistical Release H.15(519) for that day (or any successor publication).

"**SONIA**" means the Sterling Overnight Interbank Average Rate as published by the Wholesale Market Brokers Association (or any future body responsible for publication of the rate in place of the Wholesale Market Brokers Association) and shown on Reuters page SONIA (or any successor page).

(ii) **Transfer of Interest Amount.** The transfer of a positive Interest Amount will be made on the first Local Business Day following the end of each calendar month or, if that date is not a Valuation Date, the next following Valuation Date. Notwithstanding the foregoing, no transfer of a positive Interest Amount shall apply unless the Transferee has earned and received such amount of interest (and such amount is net of any deduction or withholding for or on account of tax), and the Transferee shall only be obliged to transfer a positive Interest Amount to the extent that the Valuation Agent has confirmed in writing that no Delivery Amount will be created or increased by the transfer. The transfer of an AV Negative Interest Amount will be made on the first Local Business Day following the end of each calendar month and on any Local Business Day on which Eligible Credit Support is transferred to the Transferee pursuant to Paragraph 2(a).

(iii) **Alternative to Interest Amount.** The provisions of Paragraph 5(c)(ii) (as amended herein) will apply.

- (iv) **Interest Amount.** The definition of "Interest Amount" in Paragraph 10 shall be deleted and replaced with the following:

**"Interest Amount"** means, with respect to an Interest Period and each portion of the Credit Support Balance comprised of cash in an Eligible Currency, the sum of the amounts of interest determined for each day in that Interest Period on the principal amount of the portion of the Credit Support Balance comprised of cash in such Eligible Currency, determined by the Valuation Agent as follows:

- (1) the amount of such currency comprised in the Credit Support Balance at the close of business for general dealings in the relevant currency on such day (or, if such day is not a Local Business Day, on the immediately preceding Local Business Day); multiplied by
- (2) the relevant Interest Rate in effect for that day; divided by
- (3) 360 (or in the case of pounds sterling, 365)."

- (v) **Credit Support Balance.** The definition of "Credit Support Balance" in paragraph 10 shall be amended by the deletion of the last sentence and, for the avoidance of doubt, it is agreed and acknowledged that Equivalent Distributions or positive Interest Amount (or any portion of either) not transferred pursuant to Paragraph 5(c)(i) or (ii)(x) will not form part of the Credit Support Balance.

**(g) Addresses for Transfers.**

Party A: To be notified to Party B by Party A at the time of the request for the transfer.

Party B: To be notified to Party A by Party B at the time of the request for the transfer.

**(h) Other Provisions.**

**(i) Transfer Timing**

The following words shall be inserted at the end of the final paragraph of Paragraph 3(a):

"Provided that any transfer of Eligible Credit Support by the Transferor pursuant to Paragraph 2(a) shall be made in accordance with sub-paragraph (i),(ii) or (iii) (as applicable) of this Paragraph 3(a) not later than the close of business on the relevant Valuation Date, regardless of whether any demand for transfer is received."

**(ii) Exposure**

The definition of Exposure shall be deleted and replaced with the following:

**"Exposure"** means, with respect to a party on a Valuation Date and subject to Paragraph 4 in the case of a dispute, the amount, if any, that would be payable to that party by the other party (expressed as a positive number) or by that party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(1) (but without reference to clause (3) of Section 6(e)(ii)) of this Agreement (assuming, for this purpose only, that Part 5(h) (*Modifications to close out provisions*) of the Schedule is deleted) if all Transactions (other than the Transaction constituted by this Annex) were being terminated as of the relevant Valuation Time, on the basis that (i) that party is not the Affected Party and (ii) the Base Currency is the Termination Currency; provided that the Close-out Amount will be determined by the Valuation Agent on behalf of that party using its estimates at mid-market of the amounts that would be paid for transactions providing the economic equivalent of (x) the material terms of the Transactions, including the payments and deliveries by the parties under Section 2(a)(i) in respect of the Transactions that would, but



for the occurrence of the relevant Early Termination Date, have been required after that date (assuming satisfaction of the conditions precedent in Section 2(a)(iii) of this Agreement); and (y) the option rights of the parties in respect of the Transactions, and without assuming that the other terms of such transactions are materially less beneficial for the Transferee than the terms of this Agreement.

(iii) **Paragraph 6**

Paragraph 6 will be deleted and will be replaced by the following:

**"Paragraph 6. Early Termination**

If an Early Termination Date is designated or deemed to occur as a result of an Event of Default in relation to a party or a Termination Event where all Transactions are Affected Transactions, an amount equal to the Value of the Credit Support Balance, determined as though the Early Termination Date were a Valuation Date, will be deemed to be an Unpaid Amount due to the Transferor (which may or may not be the Defaulting Party or an Affected Party) for purposes of Section 6(e). For the avoidance of doubt, the Close-out Amount determined under Section 6(e) in relation to the Transaction constituted by this Annex will be deemed to be zero. For purposes of this Paragraph 6, the Value of the Credit Support Balance shall be determined on the basis that the Valuation Percentage applicable to each item of Eligible Credit Support is 100%."

(iv) **Costs of Transfer**

Notwithstanding Paragraph 8, the Transferor will be responsible for, and will reimburse the Transferee for, all transfer and other taxes and other costs and expenses in connection with the transfer and maintenance of Eligible Credit Support or Equivalent Credit Support either from the Transferor to the Transferee or from the Transferee to the Transferor hereto.

(v) **Demands and Notices.** All demands, specifications and notices under this Annex will be made pursuant to the Notices Section of this Agreement, save that any demand, specification or notice:

- (A) may also be given by e-mail;
- (B) will be given to or made at the following addresses:

If to Party A:

Address: Natixis  
30, avenue Pierre Mendès-France,  
75013 Paris

France

Telephone no.: +33(0) 1 58 55 24 46

E-mail: [collateral-management@natixis.com](mailto:collateral-management@natixis.com);

If to Party B:

Address: 1 Bartholomew Lane  
London EC2N 2AX  
United Kingdom

Telephone no.: +44(0) 20 7398 6300

Facsimile no.: +44(0) 20 7398 6325

E-mail: [UK-EMIR@intertrustgroup.com](mailto:UK-EMIR@intertrustgroup.com)

Attention: The Directors

With a copy to: Charter Court Financial Services Limited

Address: 2 Charter Court  
Broadlands  
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Telephone no.: +44 (0)19 0262 5903

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Attention: the Company Secretary

or at such other address as the relevant party may from time to time designate by giving notice (in accordance with the terms of this subparagraph) to the other party; and

(C) will be deemed to be effective at the time such notice is actually received unless such notice is received on a day which is not a Local Business Day or after the Notification Time on any Local Business Day in which event such notice will be deemed to be effective on the next succeeding Local Business Day.

(vi) **Cumulative Rights**

The rights, powers and remedies of the Transferee under this Annex shall be in addition to all rights, powers and remedies given to the Transferee by this Agreement or by virtue of any statute or rule of law, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the rights of the Transferee in the Credit Support Balance created pursuant to this Annex.

(vii) **Single Transferor and Single Transferee**

Party A and Party B agree that the definitions of "Transferee" and "Transferor" in Paragraph 10 of this Annex shall be deleted in their entirety and replaced with the following in lieu thereof: "Transferor" means Party A; and "Transferee" means Party B, and, for the avoidance of doubt, only Party A will be required to make transfers of Delivery Amounts and only Party B will be required to make transfers of Return Amounts hereunder.

(viii) **Ratings Criteria**

(1) **Moody's Criteria**

"**Moody's Credit Support Amount**" means, for any Valuation Date:

- (A) if the Moody's Threshold is infinity, zero;
- (B) if the Moody's threshold is zero, the greater of:
  - (i) zero; and
  - (ii) the sum of (x) the Transferee's Exposure and (y) the aggregate of the Moody's Additional Amounts in respect of such Valuation Date for all Transactions (other than the Transaction constituted by this Annex);

“**Moody’s Additional Amount**” means, for any Valuation Date, in respect of any Transaction, at the option of Party A, either:

- (A) the lesser of (x) the product of the Moody’s Single Currency DV01 Multiplier and the Transaction Single Currency DV01 for such Transaction and (y) the product of the Moody’s Single Currency Notional Amount Multiplier and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date; or
- (B) the product of the percentage specified in the column headed “Single Currency Swaps” (in the table set out in Appendix B headed “Additional Trigger Collateral Amount Table”) in respect of single currency swaps with a Swap Tenor that is equal to WAL and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date.

“**Moody’s Single Currency DV01 Multiplier**” means 50;

“**Moody’s Single Currency Notional Amount Multiplier**” means 0.08;

“**Transaction Single Currency DV01**” means, with respect to a Transaction and any date of determination the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such Transaction that would result from a one basis point change in the relevant swap curve on such date, as determined by the Valuation Agent in good faith and in a commercially reasonable manner in accordance with the relevant methodology customarily used by the Valuation Agent; and

(2) ***Fitch Criteria***

“**Fitch Credit Support Amount**” shall mean at any time for the purposes of the Fitch Criteria with respect to a Transferor on a Valuation Date:

- (A) for so long as the Fitch Threshold for Party A is infinity (irrespective of whether the Threshold is infinity or zero), zero;
- (B) for so long as the Fitch Threshold for Party A is zero and a Fitch Relevant Entity has the Fitch Formula 1 Rating, an amount calculated in accordance with the following formula:  
  
max [MV plus (LA multiplied by VC multiplied by 60% multiplied by N); 0]; and
- (C) for so long as the Fitch Threshold for Party A is zero and no Fitch Relevant Entity has the Fitch Formula 1 Rating, an amount calculated in accordance with the following formula:

max [MV plus (LA multiplied by VC multiplied by N); 0], where:

“**Fitch Formula 1 Rating**” shall mean the long-term issuer default rating (**IDR**) or the short-term IDR (or, if assigned, DCR) (as applicable) from Fitch corresponding to the then current rating of the Relevant Notes as set out in the following table:

Current Relevant Rating	Notes	Fitch Formula 1 Ratings
AAAsf		A- (or above) or F2 (or above)

AA+sf, AAsf, AA-sf	BBB+ (or above) or F2 (or above)
A+sf, Asf, A-sf	BBB- (or above) or F3 (or above)
BBB+sf, BBBsf, BBB-sf	BBB- (or above) or F3 (or above)
BB+sf, BBsf, BB- sf	Rating of Relevant Notes (or above)
B+sf or below	Rating of Relevant Notes (or above)

"**BLA**" means 0%;

"**Fitch Relevant Entity**" means Party A (or its successor or assignee) or any Credit Support Provider (that is a Fitch Eligible Guarantor) from time to time in respect of Party A;

"**LA**" is equal to  $(1 + BLA) \times (1 + \max(0\%; 5\% \times (WAL - 20)))$ ;

"**max**" means maximum;

"**MV**" means the Transferee's Exposure;

"**N**" means the Transaction Notional Amount for the Calculation Period which includes such Valuation Date.

"**VC**" means the percentage as determined by the Valuation Agent by reference to the table for a weighted average life that is equal to WAL; and

<b>VCs for Interest Rate Swaps, Caps, Floors and Collars</b>							
<b>Fixed/floating interest rate swaps, caps, floors and collars, depending on the WAL (years) (%)</b>							
<b>Current Relevant Notes Rating</b>	<b>&lt;1</b>	<b>1-3</b>	<b>3-5</b>	<b>5-7</b>	<b>7-10</b>	<b>10-20</b>	<b>20-50</b>
<b>'AA-sf' or higher</b>	0.75	2.25	3.50	4.50	5.50	7.50	9.50
<b>Below 'AA-sf'</b>	0.50	1.50	2.50	3.00	3.50	4.50	5.50
Note: The VCs for caps and floors are reduced by 30%, eg for an interest rate cap with a WAL of up to one year the rate would be $0.75\% \times 70\% = 0.525\%$ Source: Fitch							

(ix) **Calculations**

Paragraph 3(b) of this Annex shall be amended by inserting the words "and shall provide each party (or the other party, if the Valuation Agent is a party) with a description in reasonable detail of how such calculations were made, upon request" after the word "calculations" in the third line thereof.

(x) **Definitions.**

As used in this Annex, the following terms shall mean:

"**Fitch**" means Fitch Ratings Ltd and includes any successors thereto;

The definition of "**Local Business Day**" in paragraph 10 shall be amended by adding at the end of each of subparagraphs (i), (ii) and (iii) the words "and on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London".

"**Moody's**" means Moody's Investors Service Limited and includes any successors thereto; and

"**Relevant Notes**" shall have the meaning given in Part 5(d)(IV) of the Schedule to this Agreement.

"**Transaction Notional Amount**" means in respect of any Transaction, the Base Currency Equivalent of the Notional Amount.

"**WAL**" means the weighted average life of the Transaction (in years, rounded upwards to the next integer) as determined on the basis of the scheduled amortisation profile of the Rated Notes only and a zero default rate by the Issuer.

**(xi) ISDA Negative Interest Protocol**

The parties agree that the modifications set out in Section 2 of the Attachment to the ISDA 2014 Collateral Agreement Negative Interest Protocol published by ISDA on 12 May 2014 and available on the ISDA website ([www.isda.org](http://www.isda.org)) (the "**Negative Interest Protocol**") shall be made to this Annex subject to the following:

- (A) The modification in subparagraph (iv) of Section 2 of the Negative Interest Protocol is amended by the addition of the following wording after the words "such Interest Amount to the extent that":

“(I) it has earned and received such amount of interest (and such amount of interest is net of any deduction or withholding for or on account of any tax); and (II)”
- (B) The modification in subparagraph (v) of Section 2 of the Negative Interest Protocol is amended by the addition of "or an Affected Party" after the words "the Defaulting Party".
- (C) The modification in subparagraph (vii) of Section 2 of the Negative Interest Protocol shall not be made to this Annex.
- (D) The modification in subparagraph (viii) of Section 2 of the Negative Interest Protocol shall apply and so, for the avoidance of doubt, the modification in subparagraph (ix) of Section 2 of the Negative Interest Protocol shall not apply.
- (E) The modifications in subparagraph (x) and (xi) of Section 2 of the Negative Interest Protocol shall not be made to this Annex.

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

**NATIXIS, LONDON BRANCH**

**PRECISE MORTGAGE FUNDING 2018-2B  
PLC**

By:

Title:

Date:

By:

Title:

Date:

By:

Title:

Date:

By:

Title:

Date:

## APPENDIX A

### **Fitch Eligible Credit Support, Fitch Valuation Percentages and Fitch Credit Support Amount Matrices**

The applicable Valuation Percentages in respect of Fitch ("**Fitch Valuation Percentages**") shall be determined by reference to the table set out below or in relation to any type of Eligible Credit Support not listed in that table, such percentage as may be agreed between Party A and Party B from time to time provided that Fitch has confirmed that such percentage will not adversely affect the then current rating assigned to the Relevant Notes by Fitch:

<b>Eligible Credit Support</b>	<b>Fitch Valuation Percentage</b>
Cash in Base Currency:	100 per cent.
Cash in an Eligible Currency other than the Base Currency	100% multiplied by the relevant FX AR (as set out below)

<b>FX Risk – FXAR</b>		
	<b>Highest rated Notes AA– or higher</b>	<b>Highest rated Rates Notes A+ or lower</b>
FX risk for currency pairs involving AUD, CAD, CHF, CZK, DKK, EUR, GBP, NOK, NZD, JPY, KRW, SEK, SGD and USD	86.0%	90.5%

## APPENDIX B

### Moody's Eligible Credit Support, Moody's Valuation Percentages and Additional Trigger Collateral Amount Table

"Moody's Valuation Percentage" means, the percentage in respect of each instrument in the table below.

Instrument	Valuation Percentage
Sterling Cash	100%
EURO Cash	97%
U.S. Dollar Cash	95%

#### Additional Trigger Collateral Amount Table

Swap Tenor (years)	Single Currency Swaps
≤1	0.50%
>1 and ≤2	1.00%
>2 and ≤3	1.50%
>3 and ≤4	1.90%
>4 and ≤5	2.40%
>5 and ≤6	2.80%
>6 and ≤7	3.20%
>7 and ≤8	3.60%
>8 and ≤9	4.00%
>9 and ≤10	4.40%
>10 and ≤11	4.70%
>11 and ≤12	5.00%
>12 and ≤13	5.40%
>13 and ≤14	5.70%
>14 and ≤15	6.00%
>15 and ≤16	6.30%



>16 and ≤17	6.60%
>17 and ≤18	6.90%
>18 and ≤19	7.20%
>19 and ≤20	7.50%
>20 and ≤21	7.80%
>21 and ≤22	8.00%
>22 and ≤23	8.00%
>23 and ≤24	8.00%
>24 and ≤25	8.00%
>25 and ≤26	8.00%
>26 and ≤27	8.00%
>27 and ≤28	8.00%
>28 and ≤29	8.00%
>29	8.00%