

EXECUTION VERSION

Fixed Rate Swap Confirmation

27 October 2017

Brass No.6 PLC
c/o Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

Dear Sirs

Re: Fixed Rate Swap

Our Reference: IRS-5507001

UTI: BR6-YBS-5507001-5507002

The purpose of this document is to set forth the terms and conditions of the Transaction entered into between Yorkshire Building Society (**Party A**) and yourselves, Brass No.6 PLC (**Party B**) on the Trade Date specified below (the **Transaction**). This document constitutes a "Confirmation" as referred to in the Agreement specified below.

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. Capitalised terms that are not otherwise defined herein shall have the meanings given to them in the Master Definitions and Construction Schedule dated on or about the date hereof and made between, *inter alios*, Party A, Party B and U.S. Bank Trustees Limited, as Note Trustee and Security Trustee (the **Master Definitions Schedule**). In the event of any inconsistency between any of the following, the first listed shall govern (i) this Confirmation, (ii) the Master Definitions Schedule, and (iii) the 2006 Definitions, provided that all references to a "Calculation Period" in this Confirmation shall be to a Calculation Period as such term is defined pursuant to Section 4.13 of the 2006 Definitions and the definition of Calculation Period set out in the Master Definitions Schedule shall not apply with respect to this document.

This Confirmation supplements, forms part of, and is subject to, a 1992 ISDA Master Agreement dated as of 27 October 2017 as amended and supplemented from time to time (the **Agreement**), between yourselves and Yorkshire Building Society. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The parties acknowledge and agree that this Transaction has been entered into in connection with the issuance by the Issuer of GBP 2,300,000,000 Class A Notes due September 2060 and GBP 500,000,000 Class Z VFN due September 2060 (together, the **Notes**).

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

1. General Terms

Notional Amount

In respect of each Calculation Period, an amount in

GBP equal to the product of (i) the Performance Ratio on the last calendar day of such Calculation Period, and (ii) the Relevant Fixed Notional Amount on the last calendar day of such Calculation Period. Following the redemption in full of the Class A Notes, the Notional Amount shall be deemed to be zero.

Performance Ratio means, in respect of a Calculation Period, the lesser of (i) (A) the greater of (x) zero; and (y) the sum of all payments due in respect of each Fixed Rate Loan in the Portfolio during that Calculation Period less the increase in arrears (being the amount by which a Fixed Rate Loan is in arrears for the current month less the amount by which it was in arrears during the previous month) for each Fixed Rate Loan in the Portfolio during that Calculation Period, divided by (B) the sum of all payments due in respect of each Fixed Rate Loan in the Portfolio during that Calculation Period; and (ii) 1.

Relevant Fixed Notional Amount means on any day the aggregate Current Balance of the Fixed Rate Loans in the Portfolio on such day.

Trade Date	27 October 2017
Effective Date	27 October 2017
Termination Date	The earlier of: <ul style="list-style-type: none">(i) 31 March 2028, subject to adjustment in accordance with the Modified Following Business Day Convention;(ii) the date on which all of the Class A Notes are redeemed in full; and(iii) the date on which the Security Trustee has enforced the security over the Class A Notes and distributed the proceeds thereof in full.

Business Day Convention

Modified Following

Period End Dates

The first calendar day of each month commencing on and including 1 November 2017 and ending on and including the first calendar day of the month in which the Termination Date falls.

Business Days

London

(A) FIXED AMOUNTS

Fixed Rate Payer

Party B

Fixed Rate Payer Payment Dates

The 16th day of March, June, September and December in each year commencing on 16 March 2018 and with the final Fixed Rate Payer Payment Date falling on the Termination Date, all subject to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Amount

In respect of:

(i) the initial Payment Date, an amount in GBP equal to the sum, for each of the five Calculation Periods ending immediately prior to that Payment Date;

(ii) each Payment Date from (but excluding) the initial Payment Date to (but excluding) the final Payment Date, an amount in GBP equal to the sum, for each of the three Calculation Periods ending immediately prior to that Payment Date; and

(iii) the final Payment Date, an amount in GBP equal to the sum, for each of the Calculation Periods ending after the Payment Date immediately prior to the final Payment Date,

of the product of (a) the Notional Amount for that Calculation Period, (b) the weighted average of the rates of interest charged to borrowers of Fixed Rate Loans as of the last calendar day in such Calculation Period and as notified by the Servicer or the Cash Manager to Party A (provided that such rates of interest shall be deemed to be zero in respect of the initial Calculation Period for the purpose of this paragraph), and (c) the Fixed Rate Day Count Fraction.

Fixed Rate Day Count Fraction

Act/365 (Fixed)

(B) FLOATING AMOUNTS

Floating Rate Payer	Party A
Floating Rate Payer Payment Dates	Each Fixed Rate Payer Payment Date.
Floating Amount	<p>In respect of:</p> <p>(i) the initial Payment Date, an amount in GBP equal to the sum, for each of the five Calculation Periods ending immediately prior to that Payment Date;</p> <p>(ii) each Payment Date from (but excluding) the initial Payment Date to (but excluding) the final Payment Date, an amount in GBP equal to the sum, for each of the three Calculation Periods ending immediately prior to that Payment Date; and</p> <p>(iii) the final Payment Date, an amount in GBP equal to the sum, for each of the Calculation Periods ending after the Payment Date immediately prior to the final Payment Date,</p> <p>of the product of (i) the Notional Amount for that Calculation Period; (ii) the Floating Rate for that Calculation Period plus the Spread; and (iii) the Floating Rate Day Count Fraction.</p>
Floating Rate Option	GBP-LIBOR-BBA.
Designated Maturity	Three Months, except for (i) the initial five Calculation Periods, for which Linear Interpolation shall apply, and (ii) the final Calculation Period, for which Linear Interpolation shall apply.
Spread	[1.46] per cent. per annum.
Floating Rate Day Count Fraction	Act/Act
Reset Dates	In respect of each Calculation Period, the Interest Payment Date falling in or immediately prior to such Calculation Period, provided that if no Interest Payment Date has occurred, the Reset Date will be the Effective Date.

2. **Account Details**

Payments to Party A	Yorkshire Building Society Sort code: XX-XX-XX
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Account Number: XXXXXXXXX

Payments to Party B

Brass No. 6 PLC

Sort code: XX-XX-XX

Account Number: XXXXXXXXX

3. **Additional Provisions**

(a) **Incorrect Information.**

This paragraph 3(a) shall not apply to the extent that paragraphs 3(b) and (c) apply.

To the extent that Party A or Party B becomes aware that the Information in respect of any Fixed Rate Payer Payment Date or Floating Rate Payer Payment Date is inaccurate, and as a result of such inaccuracy a party received more or paid less on such Fixed Rate Payer Payment Date or Floating Rate Payer Payment Date, as applicable, than it would have received or paid, as applicable, had such Information been accurate, Party A and/or Party B, as applicable, shall make a payment to the other party on the next Fixed Rate Payer Payment Date or Floating Rate Payer Payment Date, as applicable, such that the parties are put in the same economic position as if the relevant Information had been accurate for the purpose of calculating the relevant amounts hereunder.

For the avoidance of doubt, any payment made pursuant to this paragraph 3(a) shall be subject to netting in accordance with Section 2(c) of the Agreement.

For the purposes of this paragraph 3, "**Information**" means

- (i) the weighted average of the rates of interest charged to borrowers of Fixed Rate Loans (the "Relevant Rate");
- (ii) the Notional Amount in respect of the Transaction; and
- (iii) updated Mortgages Portfolio Data in respect of each Fixed Rate Loan in the Portfolio,

in each case, as at the last calendar day of such Calculation Period. The Calculation Agent shall determine the Fixed Amount and the Floating Amount based on the Information.

For the purposes of the above, "**Mortgages Portfolio Data**" means, in respect of a Fixed Rate Loan, the following data, as applicable: portfolio cut-off date; portfolio identifier; loan identifier; borrower identifier; property identifier; original balance; current balance; repayment method; payment frequency; interest rate type; current interest rate index; current interest rate; current interest rate margin; interest revision date 1; and number of months in arrears.

(b) **Estimation.**

If any Information is not provided for any Calculation Period, the Fixed Amount and the Floating Amount shall be calculated by the Calculation Agent (the "**Estimated Calculations**") on the basis that:

- (i) the Notional Amount is equal to the Notional Amount for the last Calculation Period for which Information was supplied as adjusted by the Adjustment Percentage Rate (as defined below); and
- (ii) the Relevant Rate is equal to the Relevant Rate for the last Calculation Period for which such Information was last supplied,

or on an alternative basis agreed between the parties.

"Adjustment Percentage Rate" means the product of: (x) the annualised adjustment percentage calculated by reference to the changes in amount between the three most recent Notional Amounts determined by the Calculation Agent on the basis of previous Information (or, if there are only two such previous Notional Amounts, those two Notional Amounts, and if there is only one such previous Notional Amount, 0 per cent.); and (y) the Floating Rate Day Count Fraction or Fixed Rate Day Count Fraction, as applicable.

(c) **Reconciliation.**

Where the Fixed Amount and the Floating Amount has been calculated in accordance with paragraph 3(b) above and, following such calculation, the required Information for that Calculation Period is provided to the Calculation Agent (the **"Delayed Information"**), the Calculation Agent shall re-calculate such Fixed Amount and/or Floating Amount, as applicable, by reference to such Delayed Information and Party A and/or Party B, as applicable, shall make a payment to the other party on the next Fixed Rate Payer Payment Date or Floating Rate Payer Payment Date such that the parties are put in the same economic position as if the Delayed Information had been available when the Estimated Calculations were made (each a **"Reconciliation Payment"**).

For the avoidance of doubt, any Reconciliation Payment payable by the parties pursuant to this paragraph 3(c) shall be subject to netting in accordance with Section 2(c) of the Agreement.

(d) **Calculation Agent.**

For the purpose of making any determination or calculation hereunder, where applicable, the Calculation Agent may rely on any information, report, notice or certificate delivered to it by Party B, and the Calculation Agent will not be liable for any error, incompleteness or omission regarding such information.

This Transaction has been entered into between yourselves and Yorkshire Building Society, which is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and Financial Conduct Authority.

Party A, trading as Yorkshire Building Society, executes all trades as principal. Information about the time of the Transaction can be supplied on request.

In the event that you disagree with any part of this Confirmation please telephone the sender so that the discrepancy may be quickly resolved. Please note that our telephone conversations with you may be recorded.

Address: Yorkshire Building Society
Yorkshire House
Yorkshire Drive

Bradford, West Yorkshire BD5 8LJ

Attention: Treasury Operations
Telephone: 01274 472585
Fax: 01274 391858
E-mail: Treasury_Ops@ybs.co.uk

Please confirm that the foregoing correctly sets forth the terms of our agreement by signing a copy of this Confirmation.

Yours sincerely

Name:

Title:

For and on behalf of

Yorkshire Building Society

Acknowledged and agreed by **Brass No.6 PLC** as of the Trade Date specified above.

Name:

Title:

For and on behalf of

Brass No.6 PLC