

EXECUTION VERSION

Interest Rate Swap Confirmation

15 June 2020

Brass No.9 PLC
c/o Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

Dear Sirs

Re: Interest Rate Swap

Our Reference: IRS-5507563

UTI: YBS-BR9-5507563-5507564

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.9 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 15 June 2020 as amended and supplemented from time to time, between yourselves and Yorkshire Building Society, which is identified by a header stating "SCHEDULE – INTEREST RATE TRANSACTIONS" (the **Agreement**). 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 300,000,000 Class A1 Notes and GBP 2,013,295,000 Class A2 Notes due 18 June 2068 (together, the **Class A Notes**) and GBP 750,000,000 Class Z VFN due 18 June 2068 (together with the Class A Notes, 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 the calendar month in which such Calculation Period begins, and (ii) the Relevant Fixed Notional Amount on the last calendar day of the calendar month in which such Calculation Period begins. 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 the calendar month in which that Calculation Period begins 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 the calendar month in which that Calculation Period begins, divided by (B) the sum of all payments due in respect of each Fixed Rate Loan in the Portfolio during the calendar month in which that Calculation Period begins; 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

15 June 2020

Effective Date

15 June 2020

Termination Date

31 December 2030, subject to adjustment in accordance with the Following Business Day Convention.

Business Day Convention

Following

Period End Dates

The 16th calendar day of each month, commencing on and including 16 June 2020 and ending on and including the 16th 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 September 2020 and with the final Fixed Rate Payer Payment Date falling on the Termination Date, all subject to adjustment in accordance with the 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 four 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 of the calendar month in which such Calculation Period begins and as notified by the Servicer or the Cash Manager to Party A 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

In respect of:

(i) the initial Payment Date, an amount in GBP equal to the sum, for each of the four Calculation Periods ending immediately prior to that Payment Date (such Calculation Periods together, the **Initial Interest Period**);

(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 (each such three Calculation Periods together, an **Interest Period**); 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 (such Calculation Periods together, the **Final Interest Period**),

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.

Floating Rate Option

Compounded Daily SONIA

Compounded Daily SONIA

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 in respect of each Calculation Period as at the Reset Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

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

d_o for any Calculation Period, is the number of London banking days in the relevant SONIA Calculation Period;

i is a series of whole numbers from one to d_o , each representing the relevant London banking day in chronological order from, and including, the first London banking day in the relevant SONIA Calculation Period;

London banking day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i , for any day i , means the number of calendar days from and including such day i up to but excluding the following London banking day;

Observation Period means, in respect of a Calculation Period, the period from and including the date falling p London banking days prior to the first day of the relevant SONIA Calculation Period and ending on, but excluding, the date falling p London banking days prior to the Floating Rate Payer Payment Date for such Calculation Period (or, if applicable, the date falling p London banking days prior to any other date on which a payment of interest is to be made in respect of the Notes);

p means for any Calculation Period or SONIA Calculation Period, five London banking days or such other period as otherwise agreed between Party A and Party B;

Relevant Screen Page means Reuters Screen SONIA Page (or any replacement thereto);

SONIA Calculation Period means, in respect of a Calculation Period, the Initial Interest Period, Interest Period or Final Interest Period (as applicable) within which that Calculation Period falls;

SONIA Reference Rate, in respect of any London banking day, is a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such London banking day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if

the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London banking day immediately following such London banking day); and

SONIA_{*i,pLBD*} means, in respect of any London banking day falling in the relevant Observation Period, the SONIA Reference Rate for the London banking day falling *p* London banking days prior to the relevant London banking day *i*.

If, in respect of any London banking day in the Observation Period in respect of the relevant Calculation Period, the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page 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 London banking day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous *p* London banking 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.

Spread

2.15 per cent. per annum.

Floating Rate Day Count Fraction

Act/365, provided that, for the purposes of Floating Rate Day Count Fraction only, references to "Calculation Period or Compounding Period" in the definition of "Day Count Fraction" in the 2006 Definitions shall be to "SONIA Calculation Period" (as defined in this Confirmation).

Reset Dates

In respect of each Calculation Period, the *p* London banking day prior to the Floating Rate Payer Payment Date immediately following the last day of such Calculation Period.

2. Account Details

Payments to Party A

Bank: National Westminster Bank
Sort code: xx-xx-xx
Account Number: xxxxxxxx
SWIFT: xxxxxxxxxxxx

Payments to Party B

Bank: National Westminster Bank

Sort code: xx-xx-xx

Account Number: xxxxxxxxx

SWIFT: xxxxxxxxxxxxx

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:
E-mail:

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.9 PLC** as of the Trade Date specified above.

Name:

Title:

For and on behalf of

Brass No.9 PLC