

From: Gosforth Funding 2017-1 plc  
8th Floor  
100 Bishopsgate  
London EC2N 4AG

Attention: The Directors

To: Clydesdale Bank plc  
30 St Vincent Place  
Glasgow G1 2HL  
as successor to Virgin Money plc

Attention: The Company Secretary

25 September 2017  
(as amended and restated on 19 March 2021)

Dear Sirs,

**Confirmation – Interest Rate Swap – Reference: VMGOSFUNDING201701FIXED**

This letter amends and restates, with effect from 19 March 2021 (the “**Amendment Effective Date**”), the Confirmation entered into between Clydesdale Bank plc (as successor to Virgin Money plc) (Party A) and us, Gosforth Funding 2017-1 plc (Party B) on 25 September 2017 (as amended from time to time) (the “**Old Confirmation**”) as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) dated 21 September 2017 (as amended from time to time) (designated as the “Basis Rate Swap Agreement (Fixed and Tracker)”) entered into between you and us (the “**Agreement**”). Accordingly, this letter constitutes the "Confirmation" as referred to in the Basis Rate Swap Agreement (Fixed and Tracker) in respect of the terms of the Transaction and the Old Confirmation shall no longer apply. For the avoidance of doubt, the Swap Provider Amount and the Issuer Amount in respect of the Swap Payment Date falling in March 2021 shall be determined in accordance with the terms of the Old Confirmation, and the Swap Provider Amounts and Issuer Amounts in respect of each following Swap Payment Date shall be determined in accordance with the terms of this Confirmation.

The purpose of this Confirmation is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below.

The definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the “**Definitions**”) are incorporated into this Confirmation. In the event of any inconsistency between any of the following, the first listed shall govern: (i) this Confirmation; (ii) the Master Definitions and Construction Schedule (the provisions of which are incorporated herein); and (iii) the Definitions; and (iv) the printed form of the ISDA Master Agreement.

The following expressions shall, for the purpose of this Confirmation, have the following meanings:

The term "**Transaction**" as used herein shall, for the purposes of the Definitions, have the same meaning as "**Swap Transaction**".

"**Calculation Month**" means each of March, June, September and December in each year.

"**Compounded Daily SONIA**" means, in respect of a Swap Provider Calculation Period, the rate of return of a daily compound interest investment during the Swap Provider Calculation Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Reset Date in question, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{i-5LBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

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

"**d<sub>0</sub>**" is the number of London Banking Days in the relevant Swap Provider Calculation Period;

"**i**" is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Swap Provider Calculation Period; and

"**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 London Banking Day.

"**London Banking Day**" or "**LBD**" is any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

"**Relevant Screen Page**" means the Reuters Screen SONIA Page or any other screen page as specified by the Issuer (or any replacement thereto).

"**SONIA<sub>i-5LBD</sub>**" means, in respect of any London Banking Day falling in the relevant Swap Provider Calculation Period, the SONIA Reference Rate for the London Banking Day falling five London Banking Days prior to the relevant London Banking Day **i**.

"**SONIA Reference Rate**" means, in respect of any London Banking Day, 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).

If, in respect of any London Banking Day in the relevant Swap Provider 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 Business Day; 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.

**"Fixed Rate Mortgage Loan Balance"** means, in respect of an Issuer Calculation Period and Swap Provider Calculation Period, the aggregate outstanding current balance:

- (i) in respect of the initial Issuer Calculation Period and Swap Provider Calculation Period, the Effective Date; and
- (ii) in respect of any subsequent Issuer Calculation Period and any subsequent Swap Provider Calculation Period, in each case, as of the Issuer Calculation Date in respect of the Issuer Calculation Period immediately preceding the Swap Payment Date,

of the Fixed Rate Mortgage Loans in respect of the Mortgage Portfolio which are Performing Mortgage Loans, as notified to the Calculation Agent by the Issuer Cash Manager in accordance with the Issuer Cash Management Agreement, provided that such amount will not include any Mortgage Loan in respect of which Clydesdale (in any capacities) or the Administrator have breached a material obligation.

**"Fixed Rate Notional Amount"** means, in respect of an Issuer Calculation Period and a Swap Provider Calculation Period, an amount in Sterling equal to the Fixed Rate Mortgage Loan Balance.

**"Floating Rate Spread"** means 1.401 per cent. per annum.

**"Floating Rate Option"** means, Compounded Daily SONIA. In the event that Compounded Daily SONIA cannot be determined, the Floating Rate Option for that Reset Date will be the rate determined by the Agent Bank (as defined in the Master Definitions and Construction Schedule) in accordance with Condition 4(C)(I)(b) of the Notes.

**"Issuer Amount"** means, in respect of an Issuer Calculation Period, an amount in Sterling equal to the amount produced by applying the Weighted Average Fixed Rate for such Issuer Calculation Period to the Fixed Rate Notional Amount, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Issuer Calculation Period, divided by 365.

**"Issuer Calculation Date"** means the first calendar day of each Calculation Month.

**"Issuer Calculation Period"** means each period from, and including, an Issuer Calculation Date to, but excluding, the next following Issuer Calculation Date, except that the initial Issuer Calculation Period shall commence on the Effective Date, and the final Issuer Calculation Period shall end on the Termination Date.

**"Master Definitions and Construction Schedule"** means the master definitions and construction schedule dated on or around the date hereof and signed for identification by Clifford Chance LLP and Freshfields Bruckhaus Deringer LLP.

**"Reset Date"** means the Swap Provider Calculation Date.

**"Swap Payment Date"** means the Payment Date (as defined in the Master Definitions and Construction Schedule), *provided that* the first Swap Payment Date shall be the Payment Date falling in December 2017.

**"Swap Provider Amount"** means, in respect of a Swap Provider Calculation Period, an amount in Sterling which is equal to the amount produced by applying a rate equal to the sum of (i) the applicable Floating Rate (as calculated pursuant to the Floating Rate Option ) plus (ii) the Floating Rate Spread to the Fixed Rate Notional Amount for such Swap Provider Calculation Period, such amount to be calculated by the Calculation Agent on the basis of the actual number of days in such Swap Provider Calculation Period, divided by 365.

**"Swap Provider Calculation Date"** means the Interest Determination Date, being the fifth Business Day before the Swap Payment Date.

**"Swap Provider Calculation Period"** means the Interest Period (as defined in the Master Definitions and Construction Schedule).

**"Clydesdale"** means Clydesdale Bank plc.

**"Weighted Average Fixed Rate"** means, in respect of an Issuer Calculation Period, the weighted average (by outstanding current balance) of the fixed rates of interest as of the first day of the relevant Issuer Calculation Period charged to borrowers of Fixed Rate Mortgage Loans which are Performing Mortgage Loans as notified to the Calculation Agent by the Issuer Cash Manager in accordance with the provisions of the Issuer Cash Management Agreement.

1. This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.
2. The terms of the Transactions to which this Confirmation relates are as follows:

Party A: Clydesdale Bank plc

Party B: Gosforth Funding 2017-1 plc

Trade Date: 25 September 2017

Effective Date: 25 September 2017

Termination Date: The earlier of:

(i) the Final Redemption Date;

(ii) the date on which the Fixed Rate Notional Amount is

reduced to zero; and

- (iii) the fifth Business Day following the date on which the proceeds of enforcement are distributed in full in accordance with the Issuer Post-Acceleration Priority of Payments.

Business Day centres for all Payments:

London

Business Day Convention:

Following

Calculation of Amounts:

On the Issuer Calculation Date immediately preceding each Swap Payment Date, the Calculation Agent shall calculate the Issuer Amount for that Swap Payment Date, and forthwith notify Party A, Party B and the Issuer Cash Manager of the amount so determined.

On the Swap Provider Calculation Date immediately preceding each Swap Payment Date, the Calculation Agent shall calculate the Swap Provider Amount for that Swap Payment Date, and forthwith notify Party A, Party B and the Issuer Cash Manager of the amounts so determined and, having regard to the Issuer Amount calculated on the Issuer Calculation Date, of the net amount determined pursuant to Section 2(c) of the Agreement.

Payments:

On the Swap Payment Date, Party B shall pay the Issuer Amount and Party A shall pay the Swap Provider Amount, in each case for that Swap Payment Date and subject to the terms of Section 2(c) of the Agreement.

Calculation Agent:

As set out in the Agreement.

The Issuer Cash Manager pursuant to the Issuer Cash Management Agreement is required to provide the Calculation Agent with the Fixed Rate Mortgage Loan Balance and the Weighted Average Fixed Rate for the relevant Issuer Calculation Period and Swap Payment Date and any other relevant information required by the Calculation Agent in order to make calculations in respect of this Swap Transaction. The Calculation Agent shall determine the Issuer Amount and Swap Provider Amount based on such information as provided by the Issuer Cash Manager (the "**Information**"). To the extent that the Information is (or is subsequently determined to be) inaccurate and as a result of such inaccuracy Party A received more or paid less on the relevant Swap Payment Date than Party A would have, had the relevant information

been accurate for the purpose of calculating the relevant Swap Provider Amount and the relevant Issuer Amount, and such error is not corrected by the Issuer Cash Manager and notified to Party A by the day that is 30 calendar days following the date on which the Information was originally provided to the Calculation Agent, Party A shall not be under any obligation to make any payment to Party B in respect of such inaccuracy. In all other circumstances where the Information is so corrected and notified to Party A, Party B or, as the case may be, Party A shall make a payment to the other party such that the other party is put in the same economic position as if the relevant information had been accurate for the purpose of calculating the relevant Swap Provider Amount and the relevant Issuer Amount.

**3. Account Details:**

Payments to Party A: Transfer of Cash hereunder shall be made for credit to the following account of Party A:

Bank: Clydesdale Bank plc  
Account Number: 4516 305510 001  
Sort Code: 82-92-07  
BIC: CLYDGB2S

Payments to Party B: Transfer of Cash hereunder shall be made for credit to the following account of Party B:

Bank: Citibank, N.A., London Branch  
Account Number: 18016046  
Sort Code: 18-50-08

**4. Notice Details:**

Party A: Clydesdale Bank plc  
30 St Vincent Place  
Glasgow G1 2HL

Email: TreasuryFunding@virginmoney.com

Attention: Treasury Funding

Party B: Gosforth Funding 2017-1 plc  
8th Floor  
100 Bishopsgate  
London EC2N 4AG

e-mail: corpservices@lawdeb.com

Attention: The Directors