

# ISDA

International Swaps and Derivatives Association, Inc.

## CREDIT SUPPORT ANNEX

to the Schedule to the

### ISDA Master Agreement

dated as of 24 June 2021

between

BNP Paribas ("**Party A**")

and

Finance Ireland RMBS No. 3 Designated Activity Company ("**Party B**")

This Annex supplements, forms part of, and is subject to, the ISDA Master Agreement referred to above and is part of its Schedule. For the purposes of this Agreement, including, without limitation, Sections 1(c), 2(a), 5 and 6, the credit support arrangements set out in this Annex constitute a Transaction (for which this Annex constitutes the Confirmation).

#### Paragraph 1. Interpretation

Capitalised terms not otherwise defined in this Annex or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 10, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 11 and the other provisions of this Annex, Paragraph 11 will prevail. For the avoidance of doubt, references to "transfer" in this Annex mean, in relation to cash, payment and, in relation to other assets, delivery.

#### Paragraph 2. Credit Support Obligations

- (a) **Delivery Amount.** Subject to Paragraphs 3 and 4, upon a demand made by the Transferee on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Transferor's Minimum Transfer Amount, then the Transferor will transfer to the Transferee Eligible Credit Support having a Value as of the date of transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 11(b)(iii)(D)). Unless otherwise specified in Paragraph 11(b), the "Delivery Amount" applicable to the Transferor for any Valuation Date will equal the amount by which:

- (i) the Credit Support Amount

exceeds

- (ii) the Value as of that 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 either case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date).
- (b) **Return Amount.** Subject to Paragraphs 3 and 4, upon a demand made by the Transferor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Transferee's Minimum Transfer Amount, then the Transferee will transfer to the Transferor Equivalent Credit Support specified by the Transferor in that demand having a Value as of the date of transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 11(b)(iii)(D)) and the Credit Support Balance will, upon such transfer, be reduced accordingly. Unless otherwise specified in Paragraph 11(b), the "Return Amount" applicable to the Transferee for any Valuation Date will equal the amount by which:
  - (i) the Value as of that 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 either case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date)

exceeds

- (ii) the Credit Support Amount.

### **Paragraph 3. Transfers, Calculations and Exchanges**

- (a) **Transfers.** All transfers under this Annex of any Eligible Credit Support, Equivalent Credit Support, Interest Amount or Equivalent Distributions shall be made in accordance with the instructions of the Transferee or Transferor, as applicable, and shall be made:
  - (i) in the case of cash, by transfer into one or more bank accounts specified by the recipient;
  - (ii) in the case of certificated securities which cannot or which the parties have agreed will not be delivered by book-entry, by delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, transfer tax stamps and any other documents necessary to constitute a legally valid transfer of the transferring party's legal and beneficial title to the recipient; and
  - (iii) in the case of securities which the parties have agreed will be delivered by book-entry, by the giving of written instructions (including, for the avoidance of doubt, instructions given by telex, facsimile transmission or electronic messaging system) to the relevant depository institution or other entity specified by the recipient, together with a written copy of the instructions to the recipient, sufficient, if complied with, to result in a legally effective transfer of the transferring party's legal and beneficial title to the recipient.

Subject to Paragraph 4 and unless otherwise specified, if a demand for the transfer of Eligible Credit Support or Equivalent Credit Support is received by the Notification Time, then the relevant transfer will be made not later than the close of business on the Settlement Day relating to the date such demand is received; if a demand is received after the Notification Time, then the relevant transfer will be made not later than the close of business on the Settlement Day relating to the day after the date such demand is received.

- (b) **Calculations.** All calculations of Value and Exposure for purposes of Paragraphs 2 and 4(a) will be made by the relevant Valuation Agent as of the relevant Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or, in the case of Paragraph 4(a), following the date of calculation).
- (c) **Exchanges.**
  - (i) Unless otherwise specified in Paragraph 11, the Transferor may on any Local Business Day by notice inform the Transferee that it wishes to transfer to the Transferee Eligible Credit Support specified in that notice (the "New Credit Support") in exchange for certain Eligible Credit Support (the "Original Credit Support") specified in that notice comprised in the Transferor's Credit Support Balance.
  - (ii) If the Transferee notifies the Transferor that it has consented to the proposed exchange, (A) the Transferor will be obliged to transfer the New Credit Support to the Transferee on the first Settlement Day following the date on which it receives notice (which may be oral telephonic notice) from the Transferee of its consent and (B) the Transferee will be obliged to transfer to the Transferor Equivalent Credit Support in respect of the Original Credit Support not later than the Settlement Day following the date on which the Transferee receives the New Credit Support, unless otherwise specified in Paragraph 11(d) (the "Exchange Date"); *provided that* the Transferee will only be obliged to transfer Equivalent Credit Support with a Value as of the date of transfer as close as practicable to, but in any event not more than, the Value of the New Credit Support as of that date.

#### **Paragraph 4. Dispute Resolution**

- (a) **Disputed Calculations or Valuations.** If a party (a "Disputing Party") reasonably disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any transfer of Eligible Credit Support or Equivalent Credit Support, then:
  - (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following, in the case of (I) above, the date that the demand is received under Paragraph 2 or, in the case of (II) above, the date of transfer;
  - (2) in the case of (I) above, the appropriate party will transfer the undisputed amount to the other party not later than the close of business on the Settlement Day following

the date that the demand is received under Paragraph 2;

- (3) the parties will consult with each other in an attempt to resolve the dispute; and
- (4) if they fail to resolve the dispute by the Resolution Time, then:
  - (i) in the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 11(c), the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:
    - (A) utilising any calculations of that part of the Exposure attributable to the Transactions that the parties have agreed are not in dispute;
    - (B) calculating that part of the Exposure attributable to the Transactions in dispute by seeking four actual quotations at mid-market from Reference Marketmakers for purposes of calculating Market Quotation, 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 the Transaction; and
    - (C) utilising the procedures specified in Paragraph 11(e)(ii) for calculating the Value, if disputed, of the outstanding Credit Support Balance;
  - (ii) in the case of a dispute involving the Value of any transfer of Eligible Credit Support or Equivalent Credit Support, the Valuation Agent will recalculate the Value as of the date of transfer pursuant to Paragraph 11(e)(ii).

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) as soon as possible but in any event not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following such notice given by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraph 3(a), make the appropriate transfer.

- (b) ***No Event of Default.*** The failure by a party to make a transfer of any amount which is the subject of a dispute to which Paragraph 4(a) applies will not constitute an Event of Default for as long as the procedures set out in this Paragraph 4 are being carried out. For the avoidance of doubt, upon completion of those procedures, Section 5(a)(i) of this Agreement will apply to any failure by a party to make a transfer required under the final sentence of Paragraph 4(a) on the relevant due date.

#### **Paragraph 5. Transfer of Title, No Security Interest, Distributions and Interest Amount**

- (a) ***Transfer of Title.*** Each party agrees that all right, title and interest in and to any Eligible Credit Support, Equivalent Credit Support, Equivalent Distributions or Interest Amount

which it transfers to the other party under the terms of this Annex shall vest in the recipient free and clear of any liens, claims, charges or encumbrances or any other interest of the transferring party or of any third person (other than a lien routinely imposed on all securities in a relevant clearance system).

- (b) **No Security Interest.** Nothing in this Annex is intended to create or does create in favour of either party any mortgage, charge, lien, pledge, encumbrance or other security interest in any cash or other property transferred by one party to the other party under the terms of this Annex.
- (c) **Distributions and Interest Amount.**
  - (i) **Distributions.** The Transferee will transfer to the Transferor not later than the Settlement Day following each Distributions Date cash, securities or other property of the same type, nominal value, description and amount as the relevant Distributions ("Equivalent Distributions") to the extent that a Delivery Amount would not be created or increased by the transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed a Valuation Date for this purpose).
  - (ii) **Interest Amount.** Unless otherwise specified in Paragraph 11(f)(iii), the Transferee will transfer to the Transferor at the times specified in Paragraph 11(f)(ii) the relevant Interest Amount to the extent that a Delivery Amount would not be created or increased by the transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed a Valuation Date for this purpose).

## **Paragraph 6. Default**

If an Early Termination Date is designated or deemed to occur as a result of an Event of Default in relation to a party, 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) for purposes of Section 6(e). For the avoidance of doubt, if Market Quotation is the applicable payment measure for purposes of Section 6(e), then the Market Quotation determined under Section 6(e) in relation to the Transaction constituted by this Annex will be deemed to be zero, and, if Loss is the applicable payment measure for purposes of Section 6(e), then the Loss determined under Section 6(e) in relation to the Transaction will be limited to the Unpaid Amount representing the Value of the Credit Support Balance.

## **Paragraph 7. Representation**

Each party represents to the other party (which representation will be deemed to be repeated as of each date on which it transfers Eligible Credit Support, Equivalent Credit Support or Equivalent Distributions) that it is the sole owner of or otherwise has the right to transfer all Eligible Credit Support, Equivalent Credit Support or Equivalent Distributions it transfers to the other party under this Annex, free and clear of any security interest, lien, encumbrance or other restriction (other than a lien routinely imposed on all securities in a relevant clearance system).

## Paragraph 8. Expenses

Each party will pay its own costs and expenses (including any stamp, transfer or similar transaction tax or duty payable on any transfer it is required to make under this Annex) in connection with performing its obligations under this Annex, and neither party will be liable for any such costs and expenses incurred by the other party.

## Paragraph 9. Miscellaneous

- (a) **Default Interest.** Other than in the case of an amount which is the subject of a dispute under Paragraph 4(a), if a Transferee fails to make, when due, any transfer of Equivalent Credit Support, Equivalent Distributions or the Interest Amount, it will be obliged to pay the Transferor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value on the relevant Valuation Date of the items of property that were required to be transferred, from (and including) the date that the Equivalent Credit Support, Equivalent Distributions or Interest Amount were required to be transferred to (but excluding) the date of transfer of the Equivalent Credit Support, Equivalent Distributions or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.
- (b) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.
- (c) **Demands and Notices.** All demands and notices given by a party under this Annex will be given as specified in Section 12 of this Agreement.
- (d) **Specifications of Certain Matters.** Anything referred to in this Annex as being specified in Paragraph 11 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

## Paragraph 10. Definitions

As used in this Annex:

**"Base Currency"** means the currency specified as such in Paragraph 11(a)(i).

**"Base Currency Equivalent"** means, with respect to an amount on a Valuation Date, in the case of an amount denominated in the Base Currency, such Base Currency amount and, in the case of an amount denominated in a currency other than the Base Currency (the "Other Currency"), the amount of Base Currency required to purchase such amount of the Other Currency at the spot exchange rate determined by the Valuation Agent for value on such Valuation Date.

**"Credit Support Amount"** means, with respect to a Transferor on a Valuation Date, (i) the Transferee's Exposure plus (ii) all Independent Amounts applicable to the Transferor, if any, minus (iii) all Independent Amounts applicable to the Transferee, if any, minus (iv) the Transferor's Threshold; *provided, however, that* the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

**"Credit Support Balance"** means, with respect to a Transferor on a Valuation Date, the aggregate of all Eligible Credit Support that has been transferred to or received by the Transferee under this Annex, together with any Distributions and all proceeds of any such Eligible Credit Support or Distributions, as reduced pursuant to Paragraph 2(b), 3(c)(ii) or 6. Any Equivalent Distributions or Interest Amount (or portion of either) not transferred pursuant to Paragraph 5(c)(i) or (ii) will form part of the Credit Support Balance.

**"Delivery Amount"** has the meaning specified in Paragraph 2(a).

**"Disputing Party"** has the meaning specified in Paragraph 4.

**"Distributions"** means, with respect to any Eligible Credit Support comprised in the Credit Support Balance consisting of securities, all principal, interest and other payments and distributions of cash or other property to which a holder of securities of the same type, nominal value, description and amount as such Eligible Credit Support would be entitled from time to time.

**"Distributions Date"** means, with respect to any Eligible Credit Support comprised in the Credit Support Balance other than cash, each date on which a holder of such Eligible Credit Support is entitled to receive Distributions or, if that date is not a Local Business Day, the next following Local Business Day.

**"Eligible Credit Support"** means, with respect to a party, the items, if any, specified as such for that party in Paragraph 11(b)(ii) including, in relation to any securities, if applicable, the proceeds of any redemption in whole or in part of such securities by the relevant issuer.

**"Eligible Currency"** means each currency specified as such in Paragraph 11(a)(ii), if such currency is freely available.

**"Equivalent Credit Support"** means, in relation to any Eligible Credit Support comprised in the Credit Support Balance, Eligible Credit Support of the same type, nominal value, description and amount as that Eligible Credit Support.

**"Equivalent Distributions"** has the meaning specified in Paragraph 5(c)(i).

**"Exchange Date"** has the meaning specified in Paragraph 11(d).

**"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) of this Agreement 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* Market Quotations 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 Replacement Transactions (as that term is defined in the definition of "Market Quotation").

**"Independent Amount"** means, with respect to a party, the Base Currency Equivalent of the amount specified as such for that party in Paragraph 11(b)(iii)(A); if no amount is specified, zero.

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

- (x) the amount of cash in such currency on that day; multiplied by
- (y) the relevant Interest Rate in effect for that day; divided by
- (z) 360 (or, in the case of pounds sterling, 365).

**"Interest Period"** means the period from (and including) the last Local Business Day on which an Interest Amount was transferred (or, if no Interest Amount has yet been transferred, the Local Business Day on which Eligible Credit Support or Equivalent Credit Support in the form of cash was transferred to or received by the Transferee) to (but excluding) the Local Business Day on which the current Interest Amount is transferred.

**"Interest Rate"** means, with respect to an Eligible Currency, the rate specified in Paragraph 11(f)(i) for that currency.

**"Local Business Day"**, unless otherwise specified in Paragraph 11(h), means:

- (i) in relation to a transfer of cash or other property (other than securities) under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment;
- (ii) in relation to a transfer of securities under this Annex, a day on which the clearance system agreed between the parties for delivery of the securities is open for the acceptance and execution of settlement instructions or, if delivery of the securities is contemplated by other means, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place(s) agreed between the parties for this purpose;
- (iii) in relation to a valuation under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of location of the Valuation Agent and in the place(s) agreed between the parties for this purpose; and
- (iv) in relation to any notice or other communication under this Annex, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place specified in the address for notice most recently provided by the recipient.

**"Minimum Transfer Amount"** means, with respect to a party, the amount specified as such for that party in Paragraph 11(b)(iii)(C); if no amount is specified, zero.



**"New Credit Support"** has the meaning specified in Paragraph 3(c)(i).

**"Notification Time"** has the meaning specified in Paragraph 11(c)(iv).

**"Recalculation Date"** means the Valuation Date that gives rise to the dispute under Paragraph 4; *provided, however, that* if a subsequent Valuation Date occurs under Paragraph 2 prior to the resolution of the dispute, then the **"Recalculation Date"** means the most recent Valuation Date under Paragraph 2.

**"Resolution Time"** has the meaning specified in Paragraph 11(e)(i).

**"Return Amount"** has the meaning specified in Paragraph 2(b).

**"Settlement Day"** means, in relation to a date, (i) with respect to a transfer of cash or other property (other than securities), the next Local Business Day and (ii) with respect to a transfer of securities, the first Local Business Day after such date on which settlement of a trade in the relevant securities, if effected on such date, would have been settled in accordance with customary practice when settling through the clearance system agreed between the parties for delivery of such securities or, otherwise, on the market in which such securities are principally traded (or, in either case, if there is no such customary practice, on the first Local Business Day after such date on which it is reasonably practicable to deliver such securities).

**"Threshold"** means, with respect to a party, the Base Currency Equivalent of the amount specified as such for that party in Paragraph 11(b)(iii)(B); if no amount is specified, zero.

**"Transferee"** means, in relation to each Valuation Date, the party in respect of which Exposure is a positive number and, in relation to a Credit Support Balance, the party which, subject to this Annex, owes such Credit Support Balance or, as the case may be, the Value of such Credit Support Balance to the other party.

**"Transferor"** means, in relation to a Transferee, the other party.

**"Valuation Agent"** has the meaning specified in Paragraph 11(c)(i).

**"Valuation Date"** means each date specified in or otherwise determined pursuant to Paragraph 11(c)(ii).

**"Valuation Percentage"** means, for any item of Eligible Credit Support, the percentage specified in Paragraph 11(b)(ii).

**"Valuation Time"** has the meaning specified in Paragraph 11(c)(iii).

**"Value"** means, for any Valuation Date or other date for which Value is calculated, and subject to Paragraph 4 in the case of a dispute, with respect to:

- (i) Eligible Credit Support comprised in a Credit Support Balance that is:
  - (A) an amount of cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage, if any; and
  - (B) a security, the Base Currency Equivalent of the bid price obtained by

the Valuation Agent multiplied by the applicable Valuation Percentage, if any; and

items that are comprised in a Credit Support Balance and are not Eligible Credit Support, zero.

## **PARAGRAPH 11 ELECTIONS AND VARIABLES**

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

- (i) **"Base Currency"** means Euros (**EUR**).
- (ii) **"Eligible Currency"** means the Base Currency and, in respect of Eligible Credit Support provided by Party A only, GBP, USD and Yen.

### **(b) Credit Support Obligations**

#### **(i) Delivery Amount and Return Amount**

- (A) **"Delivery Amount"** has the meaning specified in Paragraph 2(a), except that (1) the words, "upon a demand made by the Transferee on or promptly following a Valuation Date" shall be deleted and the word "that" on the second line of Paragraph 2(a) shall be replaced with the word "a" and (2) the sentence beginning "Unless otherwise specified in Paragraph 11(b)" shall be deleted in its entirety and replaced with the following:

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

- (1) the amount by which (a) the S&P Credit Support Amount for such Valuation Date exceeds (b) the Value (determined using the S&P Valuation Percentages referred to in Appendix A – Part 1) 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 DBRS Credit Support Amount for such Valuation Date exceeds (b) the Value (determined using the DBRS Valuation Percentages referred to in Appendix A – Part 2) 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).

If, in respect of 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 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 lowest of:

- (1) the amount by which (a) the Value (determined using the S&P Valuation Percentages in Appendix A – Part 1) 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 S&P Credit Support Amount; and
- (2) the amount by which (a) the Value (determined using the DBRS Valuation Percentages in Appendix A – Part 2) 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 DBRS Credit Support Amount.

In no event shall the Transferee be required to transfer any Equivalent Credit Support under Paragraph 2(b) if, immediately following such transfer, any of the amounts calculated under Paragraph 11(b)(i)(A) (*Delivery Amount*) would be greater than zero."

- (C) **"Credit Support Amount"** means the S&P Credit Support Amount or the DBRS Credit Support Amount, as applicable.

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

- (A) for the purpose of S&P, the collateral specified in Appendix A – Part 1 will qualify as "Eligible Credit Support" for Party A and the relevant S&P Valuation Percentages shall apply; and
- (B) for the purpose of DBRS, the collateral specified in the table in Appendix A – Part 2 will qualify as "Eligible Credit Support" for Party A in each case subject to the DBRS Valuation Percentages as set out in such table.

**"Valuation Percentage"** means the S&P Valuation Percentage or the DBRS Valuation Percentage, as the context requires, provided that on any Valuation Date that is an Early Termination Date, the Valuation Percentage shall be equal to 100% in respect of all Eligible Credit Support that comprises the Credit Support Balance.

(iii) *Thresholds*

(A) **"Independent Amount"** means, with respect to Party A: zero.

**"Independent Amount"** means, with respect to Party B: zero.

(B) **"Threshold"** means, for Party A, infinity, unless (1) the S&P Threshold is zero, or (2) the DBRS Threshold is zero, in which case the Threshold for Party A shall be zero, where:

**"DBRS Threshold"** means, (i) where a DBRS Rating Event has occurred and has been continuing for at least 30 Local Business Days, zero and (ii) at any other time, infinity.

**"S&P Threshold"** means, (i) for so long as (1) an Initial S&P Rating Event or Subsequent S&P Rating Event has occurred and is continuing and (2) the Initial Remedy Period or Subsequent Remedy Period (as applicable) has expired and (3) either Party A has not taken remedial action as contemplated by paragraphs (a)(i) or (a)(ii) of Part 6 (*S&P Rating Events*) of the Schedule to the Agreement (as applicable) or, if Party A has taken such remedial action, the terms of paragraphs (a)(i) or (a)(ii) of Part 6 (*S&P Rating Events*) (as applicable) provide that Party A is required to provide collateral in accordance with the terms of this Annex, zero and (ii) at any other time, infinity.

**"Threshold"** means, for Party B, infinity.

(C) **"Minimum Transfer Amount"** means, with respect to Party A, [REDACTED].

(D) **"Rounding"** The Delivery Amount and the Return Amount will be rounded up and down to the nearest integral multiple of [REDACTED] respectively, unless no other Transactions are outstanding under the Agreement or if the Credit Support Amount is zero, in which case no rounding shall apply.

(c) **Valuation and Timing**

(i) **"Valuation Agent"**: The Valuation Agent means Party A.

(ii) **"Valuation Date"** means each Local Business Day.

(iii) **"Valuation Time"** means the close of business 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 12:00 p.m., London time, on a Local Business Day.

(v) **Calculations.** Paragraph 3(b) shall be amended by inserting the words ", S&P Credit Support Amount and DBRS Credit Support Amount" after the word "Value".

(d) **"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 the notice is given that gives rise to a dispute under Paragraph 4.

(ii) **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 Eligible Credit Support or Equivalent Credit Support comprising securities ("**Securities**"), the Base Currency Equivalent of the sum of (I) (x) the bid price as at the Valuation Time on such date for such Securities on the principal national securities exchange on which such Securities are listed, *multiplied* by the applicable Valuation Percentage, or (y) where any Securities are not listed on a national securities exchange, the bid price for such Securities quoted as at the Valuation Time on such date by any principal market maker (which shall not be, and shall be independent from, the Valuation Agent) for such Securities chosen by the Valuation Agent, *multiplied* by the applicable Valuation Percentage, or (z) if no such bid price is listed or quoted for such date, the bid price listed or quoted (as the case may be), as at the Valuation Time on the next preceding day on which such prices were available, *multiplied* by the applicable Valuation Percentage; *plus* (II) the accrued interest where applicable on such Securities (except to the extent that such interest shall have been paid to the Transferor pursuant to Paragraph 5(c)(i) or included in the applicable price referred to in subparagraph (I) above) as of such date, multiplied by the applicable Valuation Percentage with respect to such Securities, **provided that** it is understood that in no circumstances shall the Transferee be required to transfer a Return Amount in excess of the Transferor's Credit Support Balance; and

(B) with respect to any cash, the Base Currency Equivalent of the product of the face value of the cash amount and the applicable Valuation Percentage.

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

(f) **Distributions and Interest Amount**

(i) **Interest Rate.** The "**Interest Rate**" in relation to each Eligible Currency specified below will be: (a) with respect to EUR, the overnight rate fixed for such day, as set forth under the heading "EONIA" on Reuters Page EONIA; (b) with respect to USD, the effective rate for Federal Funds as published on Reuters Page FEDFUNDS1 (or if Page FEDFUNDS1 ceases to exist or is not yet published in H.15(519), the rate for that day will be the rate set forth in H.15 Daily Update or such other recognised electronic source used for the purpose of

displaying such rate for that day opposite the caption "Federal Funds (Effective)"; (c) with respect to GBP, the overnight rate fixed for such day, as set forth under the heading "Sterling Overnight Index" on Reuters Page SONIA1; and (d) with respect to Yen, the Tokyo overnight average rate for such day, as published by the Bank of Japan on Reuters Screen Page "TONAT", **provided that**, if, for any reason, the relevant page for an Eligible Currency should be unavailable, the Interest Rate for such Eligible Currency shall be such rate as the Valuation Agent shall reasonably determine.

- (ii) ***Transfer of Interest Amount.*** The transfer of any Interest Amount will be made within 5 Local Business Days following the end of each calendar month in which it is received, provided that the Transferee shall only be obliged to transfer an 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.
- (iii) ***Alternative to Interest Amount.*** The provisions of Paragraph 5(c)(ii) will apply.
- (iv) ***Transfer of Distributions.*** The Transferee shall only be obliged to transfer Equivalent Distributions under Paragraph 5(c)(i) if the Valuation Agent has confirmed in writing that no Delivery Amount would be created or increased by the transfer (and the date of calculation will be deemed a Valuation Date for this purpose).

(g) **Address for Transfers:**

- (i) in the case of Party A: *To be advised*
- (ii) in the case of Party B: *To be advised*

(h) **Other Provisions**

- (i) ***Negative Interest.*** Party A and Party B agree that the ISDA 2014 Collateral Negative Interest Protocol published on May 12, 2014 by the International Swaps and Derivatives Association, Inc. shall apply as if they had adhered thereto. The parties also agree that this Agreement shall be a Protocol Covered Collateral Agreement, this Agreement shall be amended as if Party A and Party B had adhered to the Protocol, the Implementation Date shall be the date of this Agreement and the references to "Adhering Party" in the Protocol shall be construed as referring to Party A and Party B.
- (ii) ***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 instructed 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."

- (iii) *Early Termination.* The heading for Paragraph 6 shall be deleted and replaced with "Early Termination" and the following amendments shall be made to Paragraph 6:
  - (1) the words "or a Termination Event in relation to all (but not less than all) Transactions" shall be added after the word "Default" in the first line of Paragraph 6; and
  - (2) the words "or an Affected Party" shall be added immediately after the words "Defaulting Party" in the fourth line of Paragraph 6.
- (iv) *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."
- (v) *Ratings Criteria*

"**Ratings Criteria**" means the criteria used by S&P (as set out in S&P's "Counterparty Risk Framework: Methodology and Assumptions" dated 8 March 2019) ("**S&P Criteria**") and the criteria used by DBRS (as set out in DBRS's "Derivative Criteria for European Structured Finance Transactions" dated September 2019 and "Legal Criteria for European Structured Finance Transactions" dated September 2019) ("**DBRS Criteria**") for the purposes of determining the amount of Eligible Credit Support Party A is required to transfer hereunder.

#### **S&P Criteria**

"**S&P**" means S&P Global Ratings.

"**S&P Credit Support Amount**" means for any Valuation Date (unless otherwise agreed with S&P):

- (1) if the S&P Threshold is infinity, zero, or
- (2) if the S&P Threshold is zero; the greater of:
  - (A) zero; and
  - (B)
    - (x) **if Strong Collateral Framework has been designated by Party A**, the sum of:
      - (i) the Transferee's Exposure (whether expressed as a positive or negative number);

PLUS

- (ii) the amount determined in accordance with the Strong Volatility Buffer table set out below that is applicable to the relevant Transaction and the then current rating of the Hedge Relevant Notes (the relevant "**Strong Volatility Buffer**") or (only if the relevant Transaction is an interest rate derivative) alternatively the amount equal to:

$$\text{Max } (0; \text{DV01} * 220)$$

- (y) **if Adequate Collateral Framework has been designated by Party A**, the sum of:

- (i) the Transferee's Exposure (whether expressed as a positive or negative number);

PLUS

- (ii) the amount determined in accordance with the Adequate Volatility Buffer table set out below that is applicable to the relevant Transaction and the then current rating of the Hedge Relevant Notes (the relevant "**Adequate Volatility Buffer**"), or (only if the relevant Transaction is an interest rate derivative) alternatively the amount equal to:

$$\text{Max } (0; \text{DV01} * 100)$$

OR

- (z) **if Moderate Collateral Framework has been designated by Party A**, the Transferee's Exposure (whether expressed as a positive or negative number),

where "**DV01**" means the Transaction's point-in-time Base Currency Equivalent value of a basis point.

For the avoidance of doubt, the relevant "**Strong Volatility Buffer**" and the relevant "**Adequate Volatility Buffer**" means with respect to each Transaction and a Valuation Date, the product of (x) the Transaction Notional Amount for the Calculation Period which includes the relevant Valuation Date as specified in the relevant Hedge Relevant Confirmation and (y) the percentage specified in the column headed with the appropriate description of the payment obligations of the parties and as set out in the relevant table (headed "*Strong Volatility Buffer*" or "*Adequate Volatility Buffer*", respectively) below for a tenor that is equal to (or closest to) the remaining term of the Transaction. For the avoidance of doubt, if the remaining term of the Transaction exceeds a particular tenor specified in the relevant table below, the applicable tenor shall be the next tenor specified in that table.



## Strong Volatility Buffer

<i>Volatility buffers supporting a "strong" collateral framework</i>			
<b>Remaining average life of swap (years)<sup>1</sup></b>	<b>Weighted-of swap</b>	<b>Interest rate swap fixed-floating</b>	<b>Interest rate swap floating-floating</b>
[0;1]		2.0	2.0
(1;2]		4.0	2.5
(2;3]		6.0	2.5
(3;5]		8.5	3.0
(5;7]		10.0	3.5
(7;10]		12.0	4.0
(10;15]		14.0	4.5
(15;20]		14.5	5.0
Greater than 20		15.0	5.5

## Adequate Volatility Buffer

<i>Volatility buffers supporting an "adequate" collateral framework</i>		
<b>Remaining average life of swap (years)<sup>2</sup></b>	<b>Interest rate swap fixed-floating</b>	<b>Interest rate swap floating-floating</b>
[0;1]	1.0	1.0
(1;2]	2.0	1.0
(2;3]	2.5	1.0
(3;5]	3.5	1.5
(5;7]	4.0	2.0
(7;10]	5.0	2.0

<sup>1</sup> The symbol '(' denotes exclusion of the first data point in the range, and the symbol ']' denotes the inclusion of the last data point in the range.

<sup>2</sup> The symbol '(' denotes exclusion of the first data point in the range, and the symbol ']' denotes the inclusion of the last data point in the range.

<i>Volatility buffers supporting an "adequate" collateral framework</i>		
<b>Remaining Weighted-average life of swap (years)<sup>2</sup></b>	<b>Interest rate swap fixed-floating</b>	<b>Interest rate swap floating-floating</b>
(10;15]	6.0	3.0
(15;20]	6.5	3.5
Greater than 20	7.0	4.0

## B. DBRS Criteria

"**DBRS Credit Support Amount**" shall mean, with respect to a Valuation Date:

- (i) if the DBRS Threshold is infinity, zero;
- (ii) if the DBRS Threshold is zero, the greater of:
  - (1) zero;
  - (2) the sum of (A) the Transferee's Exposure and (B) the sum of the Volatility Cushion Amounts for each Transaction (other than the Transaction constituted by this Annex); and
  - (3) the Next Payment.

"**Volatility Cushion Amount**", with respect to each Transaction, means the product of the Transaction Notional Amount of such Transaction and the percentage specified below:

- (a) if an Initial DBRS Rating Event is continuing:

<b>Swap Weighted Average Life (years)</b>	<b>Volatility Cushion Percentage</b>
0-1	0.25%
1-3	0.50%
3-5	1.00%
5-7	1.50%
7-10	2.50%
10-20	3.50%
Greater than 20	4.00%

- (b) if a Subsequent DBRS Rating Event is continuing:

<b>Swap Weighted Average Life (years)</b>	<b>Volatility Cushion Percentage</b>
0-1	0.75%
1-3	1.25%
3-5	2.00%
5-7	3.00%
7-10	5.00%
10-20	7.00%
Greater than 20	9.00%

**"Next Payment"** means:

- (a) if an Initial DBRS Rating Event is continuing, zero; or
- (b) if a Subsequent DBRS Rating Event is continuing, in respect of a Transaction (other than the Transaction constituted by this Annex) and the immediately following Scheduled Settlement Date, the greater of zero and (i) Base Currency Equivalent of the payment (if any) due by Party A under Section 2(a)(i) on such Scheduled Settlement Date in respect of such Transaction; minus (ii) the Base Currency Equivalent of the payment due by Party B under Section 2(a) on the immediately following Scheduled Settlement Date. In the case of a Transaction where a payment date only arises upon an option being exercised by one party, the Next Payment with respect to that Transaction shall be zero until the first Valuation Date after such option is exercised.

(vi) *Exchange*

The Transferee shall only be obliged to transfer Equivalent Credit Support under Paragraph 3(c)(ii) if the Valuation Agent has confirmed in writing that no Delivery Amount would be created or increased by the transfer (and the date of calculation will be deemed a Valuation Date for this purpose).

(vii) *Demands and Notices*

All demands, specifications and notices under this Annex will be made pursuant to Section 12 of this Agreement.

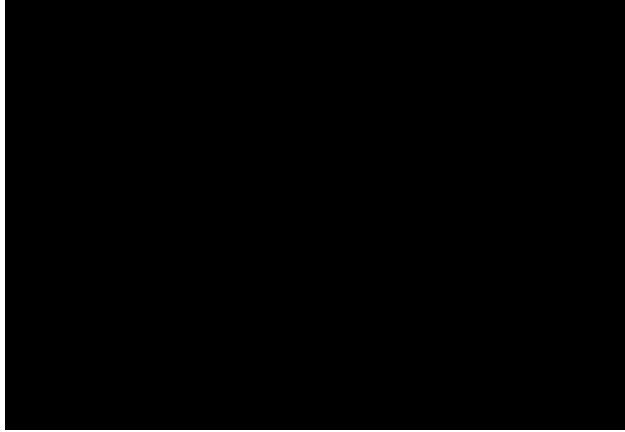
(viii) *Swap Collateral Account.*

Any amounts transferred to the Transferee under this Annex shall be held by the Transferee in the relevant Swap Collateral Account in accordance with, and subject to the restrictions set out in, the Cash Management Agreement.

**IN WITNESS WHEREOF**, the parties have executed and delivered this document as of the date specified on the first page of this document.

Signed by a duly authorised director of:

**BNP PARIBAS**



**FINANCE IRELAND RMBS NO. 3  
DESIGNATED ACTIVITY COMPANY**

By: .....  
Title: Director

**IN WITNESS WHEREOF**, the parties have executed and delivered this document as of the date specified on the first page of this document.

Signed by a duly authorised director of:

**BNP PARIBAS**

**FINANCE IRELAND RMBS NO. 3  
DESIGNATED ACTIVITY COMPANY**

By: .....  
Title:



By: .....  
Title:

**APPENDIX A  
VALUATION PERCENTAGES**

**PART 1  
S&P ELIGIBLE CREDIT SUPPORT AND S&P VALUATION PERCENTAGE**

**Eligible Credit Support and Valuation Percentage**

**"S&P Eligible Credit Support"** in respect of S&P means:

- (1) Cash denominated in the Eligible Currency; and
- (2) other securities listed in S&P's market value criteria in the document entitled "Guidance: Counterparty Risk Framework: Methodology And Assumptions", dated 8 March 2019, (the "**S&P Guidance**"), **provided that**, they are denominated in an Eligible Currency.

**"S&P Valuation Percentage"** means:

- (1) in respect of cash denominated in the Base Currency, 100 per cent.;
- (2) in respect of cash denominated in an Eligible Currency other than the Base Currency, where Strong Collateral Framework has been designated by Party A, 80 per cent. and where Adequate Collateral Framework or Moderate Collateral Framework has been designated by Party A, 92 per cent.;
- (3) in respect of any other item of S&P Eligible Credit Support, the product of (a) 100 per cent. minus the haircut percentage indicated in respect of such item in the S&P Guidance, multiplied by (b) either (i) if such item is denominated in the Base Currency, 100 per cent. or (ii) if such item is not denominated in the Base Currency and where Strong Collateral Framework has been designated by Party A, 80 per cent., or where Adequate Collateral Framework or Moderate Collateral Framework has been designated by Party A, 92 per cent.; and
- (4) in respect of non-S&P Eligible Credit Support, 0 per cent.,

**provided that**, if from time to time S&P publishes (or otherwise confirms in writing to Party A and/or Party B) details of:

- (A) additional items of S&P Eligible Credit Support and the haircut percentages applicable thereto; and/or
- (B) alternative haircut percentages for existing items of S&P Eligible Credit Support,

for use with this type of Agreement and the S&P Rating Agency Criteria applicable to it, Party A may by written notice to Party B adopt such additional items, haircuts and/or alternative haircuts (which shall apply as if set out in this Appendix) as S&P Eligible Credit Support and for the purposes of determining S&P Valuation Percentages.

**PART 2**  
**DBRS ELIGIBLE CREDIT SUPPORT AND DBRS VALUATION PERCENTAGE**

The item listed below in the applicable table (such item "**DBRS Eligible Credit Support**") shall constitute Eligible Credit Support.

<b>Item</b>	<b>DBRS Valuation Percentage</b>
1. Cash in the Base Currency	100%
2. Cash in another Eligible Currency	92.5%
3. Interest-bearing negotiable debt securities issued by sovereign entities (including, for the avoidance of doubt, supranational entities) that have a rating of at least "AA (low)"	As specified in the tables below
4. Any item in respect of which DBRS has confirmed to Party A that such item may be considered Eligible Credit Support, <b>provided that</b> Party B can lawfully hold such item	As specified by DBRS

With respect to item 3 above, where the currency of the collateral is in the Base Currency:

<b>Collateral Maturity</b>	<b>DBRS Valuation Percentage</b>	
	<b>If an Initial DBRS Rating Event is continuing</b>	<b>If a Subsequent DBRS Rating Event is continuing</b>
0-1	99.70%	99.00%
01-03	99.00%	98.00%
03-05	98.50%	96.50%
05-07	98.00%	95.00%
07-10	97.50%	93.00%
10-20	97.00%	90.00%
Greater than 20 years	96.00%	86.00%

With respect to item 3 above, where the currency of the collateral is in an Eligible Currency other than the Base Currency:

<b>Collateral Maturity</b>	<b>DBRS Valuation Percentage</b>	
	<b>If an Initial DBRS Rating Event is continuing</b>	<b>If a Subsequent DBRS Rating Event is continuing</b>
0-1	95.50%	91.00%
01-03	95.00%	90.50%
03-05	94.50%	90.00%
05-07	94.00%	89.50%
07-10	93.00%	89.00%
10-20	92.50%	85.00%
Greater than 20 years	91.50%	79.00%