

Paragon Mortgages (No.10) PLC

NOTICE

FOR IMMEDIATE RELEASE

PARAGON MORTGAGES (NO.10) PLC

**51 Homer Road, Solihull, West Midlands, B91 3QJ
a company incorporated in England and Wales
(registered number 4514738)**

**\$1,100,000,000 Class A1 Notes Due 2041
£105,000,000 Class A2a Notes Due 2041
€222,000,000 Class A2b Notes Due 2041
£31,000,000 Class B1a Notes Due 2041
€19,500,000 Class B1b Notes Due 2041
£51,500,000 Class C1a Notes Due 2041
€27,500,000 Class C1b Notes Due 2041
(the "Notes")**

1. BACKGROUND

- (a) Reference is made in this notice (the "**Notice**") to:
- (i) the remarketing agreement entered into between, *inter alios*, Barclays Bank PLC ("**Barclays**"), Paragon Mortgages No.10 PLC (the "**Issuer**") and Citicorp Trustee Company Limited (the "**Trustee**") on 17 November 2005, as amended on 12 September 2007 and 11 September 2008 (the "**Remarketing Agreement**");
 - (ii) the A1 note conditional purchase agreement entered into between, *inter alios*, Barclays, the Issuer and the Trustee on 17 November 2005, as amended on 2 December 2005 and 11 September 2008 (the "**A1 Note Conditional Purchase Agreement**"); and
 - (iii) the trust deed entered into between the Issuer and Trustee on 17 November 2005 (the "**Trust Deed**") and the terms and conditions of the Notes in Schedule 4 of the Trust Deed (the "**Conditions**").
- (b) Capitalised terms used in this Notice that are not defined herein have the meaning given to them in the Remarketing Agreement and the Trust Deed as applicable.

2. NOTIFICATION OF OCCURRENCE OF THE REMARKETING TERMINATION EVENT

- (a) The Issuer hereby notifies the investors that on 18 August 2016, it received a notice from the Remarketing Agent notifying it in accordance with clause 5.2 of the Remarketing Agreement that (i) a Remarketing Termination Event pursuant to clause 5.1.2 of the Remarketing Agreement has occurred and (ii) its appointment under the Remarketing Agreement has been terminated in accordance with clause 5.3 of the Remarketing Agreement.

- (b) As a consequence of the occurrence of the Remarketing Termination Event, it is expected that the Class A1 Notes will be purchased by the A1 Note Conditional Purchaser on or about 15 September 2016 subject to and in accordance with the terms of the A1 Note Conditional Purchase Agreement.

Dated 26 August 2016

For further information, please contact:

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Attention: The Directors