

Bank of Scotland plc
PCS Originator Certificate

Prime Collateralised Securities (PCS) UK Limited
40 Gracechurch Street
London EC3V 0BT

4 October 2018

PENARTH MASTER ISSUER PLC
Medium Term Note Programme

2018-2 A1 and A2

1. We, being authorised signatories of Bank of Scotland plc (an "**Originator**"), hereby certify as at the date of this certificate that:
 - (i) each Underlying Asset was underwritten (a) with full recourse to an Obligor that was an individual or a corporate that is not a special purpose entity and (b) on the basis that the repayment necessary to repay the Securities was not expected, in whole or in part, to be substantially reliant on the refinancing or re-sale value of the Underlying Asset or Security for that financial obligation;
 - (ii) prior to the Issue Date, we will, in the case of new Securities only, publicly disclose the amount of the Securities intended to be:
 - (A) pre-placed privately with investors which are not in the Originator Group;
 - (B) retained by a member of the Originator Group unless the Securities were acquired by such member on arm's length market terms and/or on the same terms as were publicly offered to investors which are not in the Originator Group; and
 - (C) publicly offered to investors which are not in the Originator Group;
 - (iii) no Domestic Market Guidelines apply;
 - (iv) all material Originator and Issuer undertakings, representations and warranties (including, but not limited to, corporate and asset matters) have been disclosed in the Prospectus;
 - (v) the Securities form part of the most senior tranche of the issuance (which for the avoidance of doubt includes Time Subordinated Securities);

- (vi) the Underlying Assets have been subject to an agreed-on procedures review conducted by an independent accounting firm and completed in the 12 months preceding the Issue Date of the relevant Securities;
- (vii) no Underlying Asset Agreement contains confidentiality provisions which restrict the purchaser's exercise of its rights as owner of the Underlying Assets;
- (viii) each transfer of an Underlying Asset and its Related Security is enforceable against creditors of the Originator, and is neither prohibited nor invalid save only for applicable laws affecting the rights of creditors generally;
- (ix) no broker intermediary or similar party (excluding multi-brand auto dealers) was involved in the credit or underwriting decisions relating to the Underlying Assets;
- (x) as at the Specified Date, each of the Underlying Assets (other than Overpaid Assets) has a positive net present value or outstanding principle balance;
- (xi) each Underlying Asset and its related Security is non-cancellable;
- (xii) the Underlying Assets are not subject to any withholding tax in the jurisdiction of the Underlying Asset;
- (xiii) the specific named consumer protection legislation in the Prospectus has the same scope as the blanket reference to "applicable consumer protection" in PCS checklist question 1(h)(x)(A)(a), in each case to the extent that failure to comply would have a material adverse effect on its enforceability or collectability;
- (xiv) no Underlying Asset Agreement has been entered into as a consequence of any conduct constituting fraud by the relevant Seller and, to the best of the relevant Seller's knowledge, no Relevant Underlying Asset Agreement has been entered into fraudulently by the relevant Borrower;
- (xv) the representations, warranties and undertakings in 1(i)(i) in respect of the Underlying Assets will be given by the originator, on or prior to the Issue Date, to substantially the same effect as set out in the PCS Rule Book;
- (xvi) as at the Specified Date and in respect of each addition date thereafter, the Underlying Assets being added to the securitised portfolio were selected on a random basis from a pool of assets in the non-securitised portfolio which (i) are not defaulted; (ii) the Originator does not consider to be LCR Credit Impaired Accounts or LCR Defaulted Accounts, and (iii) at the election of Originator, are considered delinquent; and (C) there is a restriction on the number and/or amount outstanding of Underlying Assets being added to the securitised portfolio on any addition date of no more than 20 per cent without rating agency confirmation of the then current ratings of the Securities taking into account the Underlying Assets being added, as a result of the functioning of the Maximum Addition Amount Criteria;

"LCR Credit Impaired Account" means an account with an obligor who is a "credit-impaired obligor" within the meaning of Article 13(2)(j) of the LCR Regulation;

"LCR Defaulted Account" means an account which, is in "default" within the meaning of Article 13(2)(k) of the LCR Regulation;

"LCR Regulation" means the Delegated Regulation 2015/61 supplementing the Capital Requirements Regulations 2013 dated 10 October 2014;

"Maximum Addition Amount" shall mean, unless otherwise provided in a Supplement, with respect to any Addition Date, the number of additional Accounts originated or purchased by the Transferor and designated as a Designated Account after the initial Addition Date pursuant to the terms of the RSD without prior Rating Agency confirmation of its then existing rating of any outstanding Associated Debt (as described in the RSD) which either:

- (a) with respect to any of the three consecutive Monthly Periods beginning with the Monthly Period commencing on the first day of the month immediately following the date three months after the initial Addition Date be equal to 15 per cent. of the number of Designated Accounts on the first day of the calendar year during which such Monthly Periods commence; or
- (b) with respect to any twelve-month period be equal to 20 per cent. of the number of Designated Accounts on the first day of such twelve-month period,

provided, however, that if the aggregate principal balance in the additional Accounts specified in paragraph (a) or (b) above, as the case may be, shall exceed either:

- (a) 15 per cent. of the aggregate amount of Eligible Principal Receivables in all of the Accounts of the Transferor's Bank Portfolio that have been designated as additional Accounts since the first day of the third preceding Monthly Period or the initial Addition Date, as the case may be (determined on the first day of the third preceding Monthly Period after the deduction of the aggregate amount of Eligible Principal Receivables on the Addition Date in respect of each such additional Account); or
- (b) 20 per cent. of the aggregate amount of Eligible Principal Receivables in all of the Accounts of the Transferor's Bank Portfolio after the Addition Date that have been designated as additional Accounts since the first day of such calendar year or the initial Addition Date, as the case may be (determined on the first day of the calendar year in which such Addition Date occurs after the deduction of the aggregate amount of Eligible Principal Receivables on the Addition Date in respect of each such additional account),

then the Maximum Addition Amount shall be the number of additional Accounts, the total principal balance of which is the lesser of the aggregate amount of Eligible Principal Receivables specified in either clause (a) or clause (b) of this proviso.

Defined terms shall have the meaning given to them in the Issuer's Base Prospectus dated 12 March 2018.

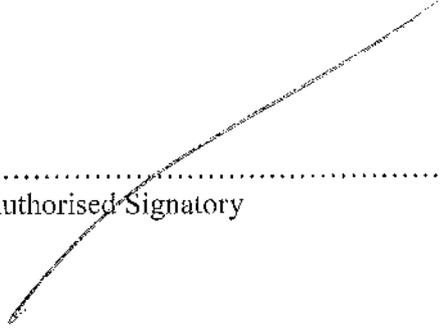
- (xvii) the PCS Secretariat will be informed by means of a blacklined prospectus showing any differences between the final Prospectus and the version of the Prospectus which was supplied to the PCS Secretariat for the purpose of checking that the Securities meet the PCS Eligibility Criteria;
 - (xviii) we undertake to satisfy, from the Issue Date until the date the last Security is redeemed in full, the disclosure requirements set out in the PCS Eligibility Criteria prevailing as at the date of the Originator Certificate;
 - (xix) we undertake to deliver a compliance certificate to the PCS Secretariat on or about the earlier of (i) the first anniversary of the Issue Date and (ii) the first date on which the Originator delivers a compliance certificate in respect of any other securities and annually thereafter until the date the last Security is redeemed in full;
2. Capitalised terms used in this Certificate have the meaning given to them in the PCS Rulebook dated Version 10.
 3. This certificate shall be governed by and construed in accordance with English law.

Signed for and on behalf of:

By:



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Authorised Signatory



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Authorised Signatory