

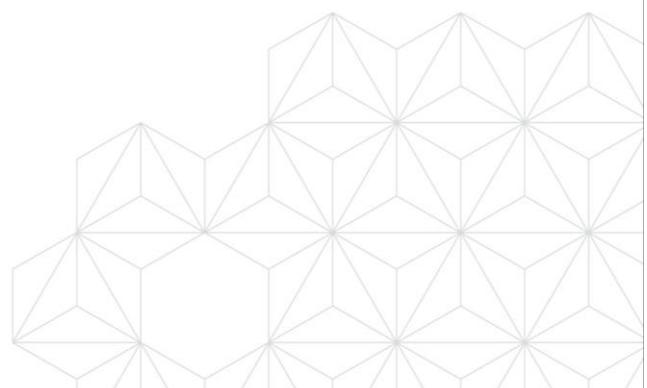
**PRIME
COLLATERALISED
SECURITIES**

**ELIGIBILITY
CRITERIA**

Version 12



PCS



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ELIGIBILITY CRITERIA

For full definitions of the capitalised terms in this section, please consult the Glossary in the Schedule.

1. Common Eligibility Criteria

To obtain a PCS label the following criteria need be met by all securitisations:

(a) Alignment of Interests Standards

The Originator undertakes to retain a material net economic interest sufficient to meet the requirements of Article 405 of the CRR (whether or not the Originator or investor is subject to the CRR).

(b) No Iterative Credit Tranching.

The Securities are not part of a Re-Securitisation.

(c) No Embedded Maturity Transformation.

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 intended, in whole or in part, to be substantially reliant on the refinancing or re-sale value of the security for that financial obligation.

(d) Transparency Standards

(i) The Issuer or the Originator undertakes that, from the Issue Date to the date the last Security is redeemed in full, it will make available a cash flow model to investors, either directly or indirectly through one or more entities who provide such cash flow models to investors generally.

(ii) The Issuer or the Originator undertakes that:

(A) Prior to the Issue Date (or, for Existing Securities, from the date the PCS Label is awarded), it will make available (i) for Underlying Assets which are not Granular Assets, loan-level data to enable investors or third party contractors to build a cash flow model setting out the transaction cash flows or, (ii) in relation to Underlying Assets which are Granular Assets, detailed summary statistics on the Underlying Assets; and

(B) On or about the Issue Date (or, for Existing Securities, from the date the PCS Label is awarded) to the date the last Security is redeemed in full, it will make available data on Underlying Assets in a Recognised Data

Repository updating such data in line with the applicable requirements.

- (iii) The Prospectus discloses (or, in respect of Existing Securities only, either the Prospectus discloses or the Issuer or the Originator undertake in the Originator Certificate that all subsequent Investor Reports will disclose) those entities which will have an Ongoing Involvement and in respect of each such entity, either:
 - (A) discloses the ratings which will trigger a requirement for:
 - (I) the provision of collateral;
 - (II) the provision of a third party guarantee; or
 - (III) the provision of a replacement; or
 - (B) confirms that no such rating triggers exist.
- (iv) The Prospectus discloses (or, for Existing Securities only, either the Prospectus discloses or the Issuer or the Originator undertake in the Originator Certificate that all subsequent Investor Reports will disclose) the payment frequency of the Underlying Assets.
- (v) The Originator undertakes that it will, in the case of new Securities only, prior to the Issue Date, publicly disclose the amount of the Securities it intends will 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.
- (vi) The Prospectus discloses (or, for (a) Existing Securities or (b) Securities backed by a Multi-Issuance Pool prior to a Prospectus update only, the Originator undertakes in the Originator Certificate that all subsequent Investor Reports will disclose):
 - (A) (I) what information relating to the Securities and the Underlying Assets (such as investor reports, transaction documents, loan level data and so on)

will be made available whilst the Securities are outstanding;

- (II) when such information will be made available; and
 - (III) where such information will be made available and how investors will be able to access it; and
- (B) that, once made available, such information will remain available until the date the last Security is redeemed in full.
- (vii) Either:
- (A) the Prospectus discloses whether or not the Issuer intends to comply with any applicable Domestic Market Guidelines; or
 - (B) no Domestic Market Guidelines apply.
- (viii) All material Originator and Issuer undertakings, representations and warranties (including, but not limited to, corporate and asset matters) have been disclosed in the Prospectus. The Prospectus contains a description of the underwriting criteria, processes and standards applied in originating the Underlying Assets.
- (ix) The Prospectus contains a description of the underwriting criteria, processes and standards applied in originating the Underlying Assets.
- (x) The Prospectus contains a description of processes and standards (i.e. administration, collection, recovery and back up servicing) applied in servicing the Underlying Assets.
- (xi) The Issuer or the Originator undertakes that each Investor Report for the transaction will contain a glossary of the defined terms used in such report.¹
- (xii) The Issuer or the Originator undertakes that from the Issue Date to the date the last Security is redeemed in full Investor Reports will be made available to investors, potential investors and firms that generally provide services to investors and will be updated on a periodic basis.
- (xiii) The Prospectus contains a description of the cash-flow waterfalls and how these operate in all circumstances.

¹ This criterion shall not apply to securities issued prior to 31 December 2012.

(e) Additional Transaction Quality Standards

- (i) The Securities form part of the most senior tranche of the issuance (which for the avoidance of doubt includes Time Subordinated Securities).
- (ii) The Securities are expected to be rated as at the date of the Prospectus by at least two credit rating agencies which are established in the European Union, registered under the CRA Regulation and supervised by the European Securities and Markets Association.
- (iii) The Underlying Assets will, prior to the Issue Date, be subject to a third-party review according to agreed procedures of a random sample as follows:
 - (A) where the Securities are backed by a Single-Issuance Pool: (I) a review of the Underlying Assets undertaken on or about the Issue Date; or (II) a general review undertaken in relation to the Originator's general portfolio from which the Underlying Assets were selected within the last 12 months prior to the Issue Date; or
 - (B) where the Securities are backed by a Multi-Issuance Pool: (I) a review of the Underlying Assets undertaken on or about the Issue Date; or (II) a general review undertaken in relation to that Multi-Issuance Pool within the last 12 months prior to the Issue Date.
- (iv) The documents for the transaction contain provisions designed to ensure that:
 - (A) the default, insolvency or disappearance of the current servicer does not lead to a termination of the servicing on the Underlying Assets or the Securities; and
 - (B) any derivative contracts entered into by the Issuer contains provisions for the replacement of the derivative counterparty upon default and specified events; and
 - (C) any liquidity facility or account bank agreement entered into for the benefit of the Issuer contains provisions for the replacement of the facility provider or bank upon default and specified events.
- (v) The Issuer is incorporated in an Eligible Jurisdiction.

(f) Liquidity Standards

- (i) The initial principal amount outstanding of each tranche of the Securities is at least:

- (A) where the tranche is denominated in euros, €100,000,000;
 - (B) where the tranche is denominated in pounds sterling, £100,000,000;
 - (C) where the tranche is denominated in US dollars, US\$100,000,000; and
 - (D) where the tranche is denominated in another Eligible Currency, the Currency Equivalent Amount of €100,000,000.
- (ii) Except for Existing Securities which were issued more than 6 calendar months prior to the award of the PCS label, the Issuer or the Originator undertakes that:
- (A) it will disclose in the first investor report that follows the award of the PCS label the amount of the Securities:
 - (I) privately-placed with investors which are not in the Originator Group;
 - (II) retained by a member of the Originator Group; and
 - (III) publicly-placed with investors which are not in the Originator Group; and
 - (B) in relation to any amount initially retained by a member of the Originator Group, but subsequently placed with investors which are not in the Originator Group, it will (to the extent permissible) disclose such placement in the next investor report.
- (iii) The Securities will be admitted to trading on a regulated market in an Eligible Jurisdiction.
- (iv) Securities which are intended to be publicly distributed, in part or in full, have at least one lead-manager and one other syndicate member of at least co-manager status.
- (v) The Securities are denominated in one or more Eligible Currencies.

(g) True Sale Standards (excluding the Netherlands and UK Residential Mortgage Loans).

In order for Securities (other than where the Underlying Assets are (i) Dutch – for which alternative rules can be found in Sections 2 (h) and 3 (b) – Dutch Criteria; or (ii) UK Residential Mortgage Loans – for which alternative rules can be found in Section 2(n) – UK Residential Mortgage Loans) to be eligible for the PCS label, the Underlying Assets must meet the following criteria.

- (i) The Prospectus contains a description of the method of sale or transfer of the Underlying Assets.
- (ii) The Prospectus' description of the method of sale indicates that the Securities are not a Synthetic Securitisation.
- (iii) Immediately prior to the sale of the Underlying Assets by the Originator, title to the Underlying Assets was owned solely by the Originator free from any security interest (other than, in the case of vehicles, ordinary course possessory liens arising out of repair and maintenance of the vehicle in favour of the entity repairing or maintaining).
- (iv) The Originator may freely transfer its interest in the Underlying Assets and their Related Security without breaching any term or condition of the Underlying Asset Agreement.
- (v) No Underlying Asset Agreement contains confidentiality provisions which restrict the purchaser's exercise of its rights as owner of the Underlying Assets.
- (vi) Each Underlying Asset and its Related Security:
 - (A) has been transferred; and
 - (B) each transfer is enforceable against creditors of the Originator, and is neither prohibited nor invalid save only for applicable laws affecting the rights of creditors generally.
- (vii) The Prospectus indicates that the Originator selling the Underlying Assets is located in a Jurisdiction Without Severe Clawback.

(h) General Underlying Asset Standards (excluding the Netherlands and UK Residential Mortgage Loans)

In order for Securities (other than where the Underlying Assets are (i) Dutch – for which alternative rules can be found in Sections 2 (h) and 3 (b) – Dutch Criteria; or (ii) UK Residential Mortgage Loans – for which alternative rules can be found in Section 2 (n) – UK Residential Mortgage Loans) to be

eligible for the PCS label, the Underlying Assets must meet the following criteria:

- (i) The Underlying Assets belong to a single Eligible Asset Class.
- (ii) The Underlying Assets are denominated in an Eligible Currency.
- (iii) No broker intermediary or similar party (other than a multi-brand auto dealer) was involved in the credit or underwriting decisions relating to the Underlying Assets.
- (iv) The Underlying Assets were originated in, and are governed by the laws of, an Eligible Jurisdiction.
- (v) As at the Specified Date, each of the Underlying Assets (other than Overpaid Assets) has a positive net present value or outstanding principal balance.
- (vi) The Underlying Assets have been originated, or originated and acquired, in an Eligible Jurisdiction in the ordinary course of the Originator's business and in accordance with the underwriting procedures at the time of origination.
- (vii) Each Underlying Asset and its Related Security is valid, binding and enforceable in accordance with its terms and non-cancellable.
- (viii)
 - (A) As at the Specified Date, and other than with respect to monthly payments falling within the scope of (B) below, no Obligor is, or has been, since the date of the relevant Underlying Asset, in material breach of any obligation owed in respect of the relevant Underlying Asset or under the Related Security and no steps have been taken by the Originator to enforce any Related Security as a result of such breach.
 - (B) With respect to monthly payments, as at the Specified Date (and except for consumer loans and credit cards, which are covered by criteria 2(d)(iii) and 2(e)(ii) respectively):
 - (a) no Underlying Asset has more than one scheduled payment outstanding due and unpaid; or
 - (b) no Underlying Asset is more than 30 days in arrears.

- (ix)
 - (A) The Underlying Assets are not subject to any withholding tax in the jurisdiction of the Underlying Asset; or
 - (B) Some or all Underlying Assets are subject to withholding tax in the jurisdiction of the Underlying Asset, this tax has been disclosed in the Prospectus and the transaction is structured and the cashflows calculated in such a way as to fully account for such tax.
 - (x) As at the Specified Date, each Underlying Asset Agreement has been concluded in compliance with either (a) all applicable consumer protection legislation or (b) specific named consumer protection legislation which has the same scope as the blanket reference to “applicable consumer protection” in (a) above, in both cases to the extent that failure to comply would have a material adverse effect on its enforceability or collectability.
 - (xi) As at the Specified Date, in relation to each Underlying Asset being transferred, no Underlying Asset Agreement has been subject to any variation, amendment, modification, waiver or exclusion of time of any kind which in any material way adversely affects the enforceability or collectability of all or a material portion of the Underlying Assets being transferred.
 - (xii) No Underlying Asset Agreement has been entered into as a consequence of any conduct constituting fraud of the relevant seller and, to the best of the relevant seller’s knowledge, no Underlying Asset Agreement has been entered into fraudulently by the relevant Borrower.
 - (xiii) As at the Specified Date, no Obligor which is not an individual is subject to an insolvency event.
- (i) **General Representations, Warranties and Undertakings (excluding the Netherlands and UK Residential Mortgage Loans)**

For securities to be eligible for the PCS label, the transaction from which they arise must have documents which contain the following representations, warranties and undertakings (other than where the Underlying Assets are (i) Dutch – for which alternative rules can be found in Sections 2 (h) and 3 (b) – Dutch Representations, Warranties and Undertakings; or (ii) UK Residential Mortgage Loans – for which alternative rules can be found in Section 2 (n) – UK Residential Mortgage Loan Representations, Warranties and Undertakings). For Existing Securities, such representations, warranties and undertakings may be explicit or

implicitly contained in other, wider, representations, warranties and undertakings.

- (i) The Prospectus discloses (or, for Existing Securities only, either the Prospectus discloses or the Issuer or the Originator undertakes in the Originator Certificate that all subsequent Investor Reports will disclose) representations, warranties and undertakings given by the Originator in respect of the Underlying Assets on the following matters as at the Specified Date:
 - (A) **Title and Ownership:** The Originator has full right, good and valid title to the Underlying Assets and their associated ancillary rights, if applicable.
 - (B) **Valid Asset Transfer:** The Originator's interest in the Underlying Assets and the Related Security may be freely transferred without breaching any term or condition of the Underlying Asset Agreement.
 - (C) **No Other Pledge:** The receivables and their associated ancillary rights are not subject, either totally or partially, to any lien, assignment, charge, or pledge to any third parties (other than, in the case of vehicles, ordinary course possessory liens arising out of repair and maintenance of the vehicle in favour of the entity repairing or maintaining).
 - (D) **Compliance with Eligibility Criteria Set Out in the Transaction Documents:** Collateral (i.e. receivables, ancillary rights, and financing agreements) meet the eligibility criteria, representations and warranties or other conditions for sale.
 - (E) **Financing Agreements' Validity and Enforceability:** Each Underlying Asset Agreement contains a legal, valid and binding obligation of the Obligor, enforceable in accordance with its terms, to pay the sums of money specified in it (other than an obligation to pay interest on overdue amounts).
 - (F) **Origination:** The Underlying Assets meet the standard origination and underwriting criteria of the Originator (subject only to such exceptions as would be acceptable to a reasonable, prudent mortgage lender).
 - (G) **No Borrower Default:** The Originator is not aware of any obligors in material breach or default of any obligations under any loan agreements (other than with respect to monthly payments) to the extent it would have a material adverse effect on the Underlying Assets.

(H) **No Untrue Information:** There is no untrue information on the particulars of the receivables and collateral contained in the sale agreement.

(ii) The Originator confirms that representations, warranties and undertakings 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 paragraph 1(i)(i) above.

2. **Asset Specific Eligibility Criteria**

(a) **Auto Dealer Floorplan Loans**

Securities where the Underlying Assets are Auto Dealer Floorplan Loans must comply with the following additional criteria:

- (i) Each dealer is an Eligible Dealer.
- (ii) As at the Specified Date, the weighted average maturity of the Underlying Assets does not exceed 12 months.
- (iii) As at the Specified Date, there are at least 300 Underlying Assets.
- (iv) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Assets due from:
 - (A) the largest Obligor is equal to or less than 4 per cent. of the aggregate outstanding principal balance of all the Underlying Assets;
 - (B) the ten largest Obligors is equal to or less than 15 per cent. of the aggregate outstanding principal balance of all the Underlying Assets; and
 - (C) any Obligor, other than the largest Obligor, is equal to or less than 2 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.
- (v) The transaction includes an early amortisation event triggered by the amount on the issuer account, following replenishment, being above 30% of the outstanding note balance on three consecutive note payment dates.
- (vi) As at the Specified Date, no Obligor is in default under another financial obligation owing to the Originator.
- (vii) As at the Specified Date, each Obligor has made at least one scheduled payment under its Underlying Asset Agreement.

(b) Auto Loans and Auto Leases

Securities where the Underlying Assets are Auto Loans and Auto Leases must comply with the following additional criteria:

- (i) As at the Specified Date, the number of Underlying Asset Agreements is not less than 15,000.
- (ii) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Asset(s) due from:
 - (A) the largest corporate Obligor is equal to or less than the lesser of:
 - (I) 0.25. per cent. of the aggregate outstanding principal balance of all the Underlying Assets; and
 - (II) €2,000,000 or its Currency Equivalent Amount;
 - (B) the ten largest corporate Obligors are equal to or less than the lesser of:
 - (I) 0.75 per cent. of the aggregate outstanding principal balance of all the Underlying Assets; and
 - (II) €7,500,000 or its Currency Equivalent Amount;
 - (C) the largest individual Obligor is equal to or less than the lesser of:
 - (I) 0.25 per cent. of the aggregate outstanding principal balance of all the Underlying Assets; and
 - (II) €500,000 or the Currency Equivalent Amount; and
 - (D) the largest ten individual Obligors are equal to or less than 0.60 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.
- (iii) The Prospectus discloses:
 - (A) the aggregate outstanding principal balance, as at the Specified Date, of the Underlying Assets in the form of loans which include balloon payments; and
 - (B) such aggregate outstanding principal balance of Underlying Assets in the form of loans which include balloon payments expressed as a percentage of the aggregate outstanding principal balance, as at the Specified Date, of all the Underlying Assets.

- (iv) Either:
 - (A) there is no Residual Value; or
 - (B) as at the Specified Date, the aggregate Residual Value does not exceed 65 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.
- (v) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(c) Auto Fleet Leases

Securities where the Underlying Assets are Auto Fleet Leases must comply with the following additional criteria:

- (i) As at the Specified Date, the number of underlying client agreements is not less than 2,000 and the number of Underlying Asset Agreements for vehicles is not less than 15,000.
- (ii) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Asset(s) due from:
 - (a) none of the top 5 Lessees measured by their outstanding amount accounts individually for more than 3.50% of the Aggregate Discounted Balance;
 - (b) none of the top 6 to 10 Lessees measured by their outstanding amount accounts individually for more than 3.00% of the Aggregate Discounted Balance;
 - (c) none of the top 11 to 15 Lessees measured by their outstanding amount accounts individually for more than 2.50% of the Aggregate Discounted Balance;
 - (d) none of the top 16 to 30 Lessees measured by their outstanding amount accounts individually for more than 1.50% of the Aggregate Discounted Balance;
 - (e) none of the top 31 and above Lessees measured by their outstanding amount accounts individually for more than 1.00% of the Aggregate Discounted Balance;
 - (f) the top 15 lessees measured by their aggregate outstanding amount do not account for more than 30% of the Aggregate Discounted Balance;
- (iii) Either:
 - (A) there is no Residual Value; or

- (B) as at the Specified Date, the aggregate Residual Value does not exceed 65 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.
- (iv) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party;
- (v) Information must be provided in the prospectus (or Originator Certificate until 31 December, 2014) as to the industry sector of the top 15 accounts as measured by their outstanding amounts.

(d) Consumer Loans

Securities where the Underlying Assets are Consumer Loans must comply with the following additional criteria:

- (i) As at the Specified Date, the number of Underlying Assets or Obligors is not less than 10,000.
- (ii) As at the Specified Date
 - (A) no Underlying Asset has an outstanding principal balance greater than (i) if denominated in sterling, £85,000, (ii) if denominated in Euro, €100,000, or (iii) if denominated in any other currency the Currency Equivalent Amount of €100,000; and
 - (B) the aggregate outstanding principal balance of Underlying Assets greater than £51,000, €60,000 or the Currency Equivalent Amount of €60,000 as the case may require shall not exceed 5% of the aggregate outstanding principal balance of all Underlying Assets.
- (iii)
 - (A) As at the Specified Date, no more than 12 per cent. of the Underlying Assets are overdue for 30 days or more; and
 - (B) for each addition, no more than 12 per cent. of the Underlying Assets being added will be, when added, overdue for a period of 30 days or more.
- (iv) Either,
 - (A) As at the Specified Date, each Obligor has made at least one payment of no less than the required minimum amount payable under the Underlying Asset Agreement to which it is a party; or

- (B) In the case where the Underlying Assets are retail store credits, as at the Specified Date, either (1) at least one payment has been made on the customer account associated with the securitised receivables, or (2) the securitised receivable arises from a customer who has made at least one payment on another receivable generated by the Originator

(e) Credit Card Receivables

Securities where the Underlying Assets are Credit Card Receivables must comply with the following additional criteria.

- (i) As at the Specified Date, the number of Obligor or Underlying Assets is not less than 100,000.
- (ii)
 - (A) As at the Specified Date, no more than 20 per cent. of the Underlying Assets are overdue for 30 days or more AND for each addition, no more than 20 per cent. of the Underlying Assets being added will be, when added, overdue for a period of 30 days or more; or
 - (B) As at the Specified Date, no more than 20 per cent. of the Underlying Assets are overdue for 30 days or more AND as at the Specified Date and in respect of each addition date thereafter, the Underlying Assets being added to the securitised portfolio were and will be selected on a random basis from non-defaulted assets in the non-securitised portfolio of the Originator without reference to the number of days they may have been overdue AND there is a restriction on the number and/or the amount outstanding of Underlying Assets being added to the securitised portfolio on any addition date of non more than 20 per cent without a rating agency confirmation of the then current rating of the Securities taking into account the proposed addition of Underlying Assets.
- (iii) As at the Specified Date, either:
 - (A) each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party; or
 - (B) at least 60 per cent. of the Underlying Assets are more than 12 months old.

(f) Non-Auto Leases

Securities where the Underlying Assets are leases which include Non-Auto Leases must comply with the following additional criteria:

- (i) As at the Specified Date, the number of Obligor Groups is not less than 500.
- (ii) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Assets due from any single Obligor Group does not exceed 0.75 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.
- (iii) As at the Specified Date, the Underlying Assets are not of a lower credit quality (including tenor) than comparable assets retained by the Originator or previously securitised.
- (iv) As at the Specified Date, none of the Underlying Assets are loans where with respect to monthly payments:
 - (i) no Underlying Asset has more than one scheduled payment outstanding due and unpaid; or
 - (ii) no Underlying Asset is more than 30 days (or calendar month) in arrears.
- (v) As at the Specified Date, an Obligor from each Obligor Group has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.
- (vi) The Prospectus discloses:
 - (A) the aggregate outstanding principal balance, as at the Specified Date, of the Underlying Assets in the form of loans which include balloon payments; and
 - (B) such aggregate outstanding principal balance expressed as a percentage of the aggregate outstanding principal balance, as at the Specified Date, of all the Underlying Assets.
- (vii) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(g) Residential Mortgage Loans

General Residential Mortgage Loan Criteria

Securities where the Underlying Assets are Residential Mortgage Loans (excluding Dutch, Spanish, UK and Belgian Residential Mortgage Loans) must comply with the following additional criteria:

- (i) Where Responsible Lending Rules and Guidance do not apply in the relevant jurisdiction at the time of origination, as at the Specified Date:
 - (A) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and
 - (B) no individual Underlying Asset has an original LTV greater than 100 per cent.

Where Responsible Lending Rules and Guidance apply in the relevant jurisdiction at the time of origination:

- (A) these were followed in the origination of the Underlying Assets and, as at the Specified Date:
 - (I) the weighted average original LTV of the Underlying Assets is not greater than 85 per cent.; and
 - (II) no individual Underlying Asset has an original LTV greater than 100 per cent.; or
 - (B) these were not followed in the origination of each Underlying Asset and, as at the Specified Date:
 - (I) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and
 - (II) no individual Underlying Asset has an original LTV greater than 100 per cent.
- (ii) As at the Specified Date, the number of Obligors or Underlying Assets is not less than 1,000.
 - (iii) As at the Specified Date, no Underlying Asset has an outstanding principal balance:
 - (A) of more than €1,000,000 or its Currency Equivalent Amount (except for Swiss SwFr residential mortgage loans where such limit shall be SwFr 2 million); and
 - (B) which exceeds an amount equal to 1.00 per cent. of the aggregate outstanding principal balance of all the Underlying Assets AND the sum of those Underlying Assets with an outstanding principal balance greater than 0.25 per cent. of the outstanding principal balance of the Underlying Assets shall not exceed 5 per cent. of the outstanding principal balance of the Underlying assets.
 - (iv) As at the Specified Date, each Underlying Asset (including any further advances thereunder):

- (A) is subject to a first ranking mortgage; or
 - (B) is an Eligible Second Ranking Residential Mortgage Loan.
- (v) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.
 - (vi) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

Jurisdiction Specific Residential Mortgage Loan Criteria

(h) Dutch Residential Mortgage Loans

Securities where the Underlying Assets are Dutch Residential Mortgage Loans must comply with the following additional criteria:

- (i)
 - (A) At the time of origination each Underlying Asset complied with the Dutch Code of Conduct on Mortgage Loans (*Gedragscode Hypothecaire Financieringen*); and
 - (B) as at the Specified Date, the weighted average original LTV of all the Underlying Assets is not greater than 110 per cent.
- (ii) As at the Specified Date, the number of Obligors or Underlying Assets is not less than 1,000.
- (iii) As at the Specified Date, no Underlying Asset has an outstanding principal balance:
 - (A) of more than €1,000,000; and
 - (B) which exceeds an amount equal to 1.00 per cent. of the aggregate outstanding principal balance of all the Underlying Assets AND the sum of those Underlying Assets with an outstanding principal balance greater than 0.25 per cent. of the outstanding principal balance of the Underlying Assets shall not exceed 5 per cent. of the outstanding principal balance of the Underlying assets.
- (iv) Each Underlying Asset (including any further advances thereunder) is secured by:
 - (A) a first ranking mortgage; or
 - (B) a first and sequentially lower ranking mortgage; and
 - (C) (if applicable) a right of pledge

- (v) For Securities issued after the entry into force of the Dutch Securitisation Association guidelines, the Prospectus confirms whether or not the table of contents and the defined terms used in the Prospectus meet the guidelines for these matters set out by Dutch Securitisation Association at the time.
- (vi) For Securities issued after the entry into force of the Dutch Securitisation Association guidelines, the Prospectus confirms whether or not each investor report will meet the guidelines for investor reporting as set out by Dutch Securitisation Association at the time.
- (vii) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.
- (viii) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(i) **Dutch Residential Mortgage Loan Representations, Warranties and Undertakings**

In addition to the representations, warranties and undertakings required for all securities to be eligible for the PCS label, for Securities where the Underlying Assets are Dutch Residential Mortgage Loans to be eligible for the PCS label, the transaction from which they arise must have documents which contain the following representations, warranties and undertakings. For Existing Securities, such representations, warranties and undertakings may be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

- (i) The Prospectus discloses (or, for Existing Securities only, either the Prospectus discloses or the Issuer or the Originator undertakes in the Originator Certificate that all subsequent Investor Reports will disclose) representations, warranties and undertakings given by the Originator in respect of the Underlying Assets on the following matters:
 - (A) **Origination:** The Underlying Assets meet the standard origination and underwriting criteria of the Originator (subject only to such exceptions as would be acceptable at the time of origination to a reasonable lender of Dutch residential mortgage loans to Borrowers in The Netherlands, which is acting as a reasonable creditor in protection of its own interests).
 - (B) **Underwriting:** Underlying Asset Agreements entered into in accordance with underwriting criteria of the Originator at the time of origination.

- (C) **Regulatory Compliance:** Underlying Asset Agreements offered in accordance with laws and legal requirements.
- (D) **Compliance with Mortgage Code of Conduct:** Loans granted in accordance with the applicable mortgage credit code of conduct at the time of origination.
- (E) **Property Location:** Each Property is located in the Netherlands.
- (F) **Currency Denomination:** Each Underlying Asset is denominated in Euro.
- (G) **Valid, Legal, and Enforceable:** Each Underlying Asset is valid, legal, and enforceable.
- (H) **No Prior Liens:** Each loan is secured by a first ranking right of mortgage or first and sequentially lower ranking right of mortgage and, if applicable, right of pledge.
- (I) **Valuation:** Benefits from a valuation of the property in accordance with the Dutch Code of Conduct for Mortgage Loans.
- (J) **Originator Appointed as Beneficiary:** For Underlying Assets combined with a mixed insurance policy, the Originator is appointed as the beneficiary under the relevant insurance policy or, if another person has been appointed as beneficiary, under an irrevocable payment instruction from such person to the relevant insurer.
- (K) **Investments are Held in Bankruptcy Remote Vehicle:** In respect of an investment mortgage loan, the investments are held in the Borrower's name and are Wge securities and/or required to be held through a beleggersgiro or a separate depository vehicle.
- (L) **Nationale Hypotheek Garantie (NHG):** If NHG, the guarantee was granted for the full amount of the relevant loan part at the time of origination.
- (M) **Compliance with NHG Terms and Conditions:** All NHG terms and conditions were complied with at the time of origination.
- (N) **NHG Claim:** If NHG, Originator is not aware of any reason why a claim under the NHG guarantee scheme should not be honoured.
- (O) **No encumbrance or third party rights:** No encumbrance, attachment or other right or claim in, over or on the Underlying Assets in favour of any other person.

- (P) **No Default:** Other than with respect to monthly payments and to the best of its knowledge, the Originator is not aware of any Obligor in material breach or default of any obligations under any Underlying Assets.
 - (Q) **Building Insurance Policy:** The related Obligor was obliged to obtain a building insurance policy for the [full reinstatement value] of the property at the time the related loan was advanced.
 - (R) **Compliance with Eligibility Criteria:** Collateral (i.e. Underlying Assets, Related Security and the Underlying Asset Agreement) meet the eligibility criteria, representations and warranties or other conditions for sale.
 - (S) **Entire Loan:** Each Mortgage Loan constitutes the entire loan granted to the relevant Borrower (in respect of the relevant residential property) and not merely one or more loan parts.
- (ii) The Originator confirms that representations, warranties and undertakings 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 paragraph 5(b)(i) above.

(j) Spanish Residential Mortgage Loans

Securities where the Underlying Assets are Spanish Residential Mortgage Loans must comply with the following additional criteria:

- (i) Where Responsible Lending Rules and Guidance do not apply in Spain at the time of origination, as at the Specified Date:
 - (A) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and
 - (B) no individual Underlying Asset has an original LTV greater than 100 per cent.

Where Responsible Lending Rules and Guidance apply in Spain at the time of origination:

- (A) these were followed in the origination of the Underlying Assets and, as at the Specified Date:
 - (I) the weighted average original LTV of the Underlying Assets is not greater than 85 per cent.; and
 - (II) no individual Underlying Asset has an original LTV greater than 100 per cent.; or

- (B) these were not followed in the origination of each Underlying Asset and, as at the Specified Date:
 - (I) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and
 - (II) no individual Underlying Asset has an original LTV greater than 100 per cent.
 - (ii) As at the Specified Date, the number of Obligors or Underlying Assets is not less than 1,000.
 - (iii) As at the Specified Date, no Underlying Asset has an outstanding principal balance:
 - (A) of more than €1,000,000; and
 - (B) which exceeds an amount equal to 1.00 per cent. of the aggregate outstanding principal balance of all the Underlying Assets AND the sum of those Underlying Assets with an outstanding principal balance greater than 0.25 per cent. of the outstanding principal balance of the Underlying Assets shall not exceed 5 per cent. of the outstanding principal balance of the Underlying assets.
 - (iv) Each Underlying Asset (including any further advances thereunder):
 - (A) is subject to a first ranking mortgage; or
 - (B) is a Second Ranking Residential Mortgage Loan.
 - (v) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.
 - (vi) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.
- (k) **Spanish Residential Mortgage Loan Representations, Warranties and Undertakings**

In addition to the representations, warranties and undertakings required for all Securities to be eligible for the PCS label, for Securities where the Underlying Assets are Spanish Residential Mortgage Loans to be eligible for the PCS label, the transaction from which they arise must have documents which contain the following representations, warranties and undertakings. For Existing Securities, such representations, warranties and undertakings may be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

- (i) The Prospectus discloses (or, for Existing Securities only, either the Prospectus discloses or the Issuer or the Originator undertakes in the Originator Certificate that all subsequent Investor Reports will disclose) representations, warranties and undertakings given by the Originator in respect of the Underlying Assets on the following matters:
- (A) **Compliance with Current Laws and Regulations:** The mortgage loan certificates (mortgage participations and/or mortgage transfer certificates) will be issued in accordance with current laws and legal regulations.
 - (B) **Mortgage Loans Only Subject to This Issuance:** The mortgage loans are not subject to any issue of mortgage securities, mortgage shares, or mortgage transfer certificates other than this issue.
 - (C) **Duly Established and Registered:** The real estate mortgages have been duly established and registered in the relevant Property Registers.
 - (D) **Loan Existence:** Loans exist and are valid and enforceable in accordance with legislation.
 - (E) **Loans Clearly Identified:** Loans are clearly identified.
 - (F) **Property Ownership:** The mortgages have been established on properties the full and complete ownership of which is held by the respective mortgage obligor, and the Originator is not aware of the existence of litigation regarding the ownership of those properties capable of impairing the mortgages.
 - (G) **No Setoff Right:** The Originator has no knowledge that any of the obligors on the mortgage loans has any credit against itself that entitles the obligor to a right of setoff.
 - (H) **Preferred Right:** Nobody has a preferred right over the fund in and to the mortgage loans.
 - (I) **Enforcement of the Mortgage Guarantee:** The Originator has no knowledge of the existence of any circumstance preventing enforcement of the mortgage guarantee.
 - (J) **Secured Loans:** The Mortgage Loans are secured with a real estate mortgage on the legal and beneficial ownership of each and every one of the mortgaged properties ranking senior, or, as the case may be, (provided the Originator has documents regarding cancellation of debts originated by previous mortgages, even though their registration cancellation procedure is pending) ranking junior.

- (K) **No Litigation:** To the best knowledge of the Originator, there is no litigation whatsoever in relation to the Mortgage Loans that may detract from their validity or that may result in the application of Civil Code Article 1535, nor do any circumstances exist which may result in the purchase agreement of the home mortgaged as security for the Mortgage Loans being ineffective.
- (L) **Term to Maturity and Interest Rate:** The mortgage participations and/or mortgage transfer certificates are issued with the same term to maturity and interest rate as the underlying mortgage loans.
- (M) **Accuracy of Information:** The mortgage loan information contained in the Offering Circular is accurate, complete, and not misleading.
- (N) **Fully Disbursed:** The principal of the loans has been fully disbursed.
- (O) **Currency Denomination:** Loans are denominated and payable exclusively in euros.
- (P) **Direct Debit Repayment:** The mortgage loan payment obligations are satisfied by directly debiting a bank account.
- (Q) **Underwriting:** Loans have been granted in accordance with market criteria and credit granting policy of the entity.
- (R) **Maturity:** The maximum term of the loans do not exceed the maturity of the security issued.
- (S) **Property Valuation:** The mortgaged properties have been appraised by entities duly authorized for that purpose and the appraisers are duly registered in the corresponding Official Register of the Bank of Spain.
- (T) **Viviendas de Proteccion Oficial (VPO) Properties:** For VPO properties, the appraisal value considered for calculation purposes is the maximum legal value.
- (U) **Loans Administered According to Customary Procedures:** All loans have been and will be administered by the Originator according to the customary procedures it has established.
- (V) **No Notice of Full Repayment:** The Originator has received no notice of full repayment of the mortgage loans.
- (W) **Individuals:** Obligors are all individuals

- (ii) The Originator confirms that representations, warranties and undertakings 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 paragraph 5(d)(i) above.

(l) UK Residential Mortgage Loans (excluding Buy-to-Let Residential Mortgage Loans)

Securities where the Underlying Assets are UK Residential Mortgage Loans (excluding UK Buy-to-Let Residential Mortgage Loans) must comply with the following additional criteria:

- (i) Where Responsible Lending Rules and Guidance do not apply in the United Kingdom at the time of origination, as at the Specified Date:
 - (A) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and
 - (B) no individual Underlying Asset has an original LTV greater than 100 per cent.

Where Responsible Lending Rules and Guidance apply in the United Kingdom at the time of origination:

- (A) these were followed in the origination of the Underlying Assets and, as at the Specified Date:
 - (I) the weighted average original LTV of the Underlying Assets is not greater than 85 per cent.; and
 - (II) no individual Underlying Asset has an original LTV greater than 100 per cent.; or
- (B) these were not followed in the origination of each Underlying Asset and, as at the Specified Date:
 - (I) the weighted average original LTV of the Underlying Assets is not greater than 75 per cent.; and
 - (II) no individual Underlying Asset has an original LTV greater than 100 per cent.
- (ii) As at the Specified Date, the number of Obligors or Underlying Assets is not less than 1,000.
- (iii) As at the Specified Date, no Underlying Asset has an outstanding principal balance:
 - (A) of more than £1,500,000; and

- (B) which exceeds an amount equal to 1.00 per cent. of the aggregate outstanding principal balance of all the Underlying Assets AND the sum of those Underlying Assets with an outstanding principal balance greater than 0.25 per cent. of the outstanding principal balance of the Underlying Assets shall not exceed 5 per cent. of the outstanding principal balance of the Underlying assets.
- (iv) Each Underlying Asset (including any further advances thereunder) is subject to a first ranking mortgage by way of legal mortgage (or first ranking standard security in Scotland) (subject only in certain appropriate cases to applications for registration or recording, in relation to which the Originator is not aware of any matter that would prevent such registration or recording), subject to statutory priority (for example, under a right to buy loan) to the extent that this is not material.
- (v) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.
- (vi) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(m) Buy-to-Let Residential Mortgage Loans

Securities where some or all the Underlying Assets are UK Buy-to-Let Residential Mortgage Loans must comply with the following criteria:

- (i) As at the Specified Date:
 - (A) the weighted average original LTV of the Underlying Assets which are Buy-to-Let Residential Mortgage Loans is not greater than 85 per cent.; and
 - (B) no individual Underlying Asset which is a Buy-to-Let Residential Mortgage Loan has an original LTV greater than 100 per cent.
- (ii) As at the Specified Date (but only where all the Underlying Assets are Buy-to-Let Residential Mortgage Loans), the number of Obligors is not less than 750.²
- (iii) As at the Specified Date, no Underlying Asset which is a Buy-to-Let Residential Mortgage Loan has an outstanding principal balance of more than £5,000,000.

² Where both (A) Residential Mortgage Loans which are not Buy-to-Let Residential Mortgage Loans and (B) Buy-to-Let Residential Mortgage Loans are included in the Underlying Assets, criteria 5(e)(ii) applies.

- (iv) Each Underlying Asset (including any further advances thereunder) is subject to a first ranking mortgage (other than further advances that rank behind existing mortgages granted to the Originator).
- (v) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.
- (vi) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(n) UK Residential Mortgage Loans (Buy-to-Let and non-Buy-to-Let)

Securities where the Underlying Assets are UK Residential Mortgage Loans must comply with the following additional criteria:

- (i) The Prospectus contains a description of the method of sale or transfer of the Underlying Assets.
- (ii) The Prospectus' description of the method of sale indicates that the Securities do not form part of a Synthetic Securitisation.
- (iii) The Underlying Assets are denominated in Sterling.
- (iv) As at the Specified Date, each of the Underlying Assets (other than, if disclosed by way of Originator Certificate, Overpaid Assets) has a positive net present value or outstanding principle balance.
- (v) The Underlying Assets have been originated, or originated and acquired, in an Eligible Jurisdiction in the ordinary course of the Originator's business and in accordance with the underwriting procedures at the time of origination.
- (vi) Each Underlying Asset and its Related Security is valid, binding and enforceable in accordance with its terms and non-cancellable.
- (vii) (A) As at the Specified Date, and other than with respect to monthly payments falling within the scope of (B) below, no Obligor is, or has been, since the date of the relevant Underlying Asset, in material breach of any obligation owed in respect of the relevant Underlying Asset or under the Related Security and no steps have been taken by the Originator to enforce any Related Security as a result of each breach; and
 (B) with respect to monthly payments, as at the Specified Date:
 - (a) no Underlying Asset has more than one scheduled payment outstanding due and unpaid; or

- (b) no Underlying Asset is more than 30 days in arrears.
- (viii) Immediately prior to the sale of the Underlying Assets by the Originator, title to the Underlying Assets was owned solely by the Originator free from any security interest.
- (ix) (A) The Underlying Assets are not subject to any withholding tax in the jurisdiction of the Underlying Asset; or

(B) some or all Underlying Assets are subject to withholding tax in the jurisdiction of the Underlying Asset, this tax has been disclosed in the Prospectus and the transaction is structured and the cashflows calculated in such a way as to fully account for such tax.
- (x) The Originator may freely transfer its interest in the Underlying Assets and their Related Security without breaching any term or condition of the Underlying Asset Agreement.
- (xi) As at the Specified Date, each Underlying Asset Agreement has been concluded in compliance with either (a) all applicable consumer protection legislation, or (b) specific named consumer protection legislation which has the same scope as the blanket reference to “applicable consumer protection” in (a) above, in both cases to the extent that failure to comply would have a material adverse effect on the enforceability or collectability of any Underlying Asset.
- (xii) As at the Specified Date, in relation to each Underlying Asset Transfer, no Underlying Asset Agreement has been subject to any variation, amendment, modification, waiver or exclusion of time of any kind which in any material way adversely affects its enforceability or collectability.
- (xiii) No relevant Mortgage Loan has been entered into as a consequence of any conduct constituting fraud of the relevant seller and, to the best of the relevant seller’s knowledge, no Relevant Mortgage Loan has been entered into fraudulently by the relevant Borrower.
- (xiv) Where the Portfolio contains Underlying Assets which are Buy-to-Let Residential Mortgage Loans with corporate Obligor, no such corporate Obligor is subject to an insolvency event.
- (xv) Each Underlying Asset and its Related Security:
 - (A) has been transferred; and
 - (B) each transfer is enforceable against creditors of the Originator, and is neither prohibited nor invalid save only for applicable laws affecting the rights of creditors generally.

(o) **UK Residential Mortgage Loan Representations, Warranties and Undertakings**

For Securities where the Underlying Assets are UK Residential Mortgage Loans to be eligible for the PCS label, the transaction from which they arise must have documents which contain the following representations, warranties and undertakings. For Existing Securities, such representations, warranties and undertakings may be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

- (i) The Prospectus discloses (or, for Existing Securities only, either the Prospectus discloses or the Issuer or the Originator undertake in the Originator Certificate that all subsequent Investor Reports will disclose) representations, warranties and undertakings given by the Originator in respect of the Underlying Assets on the following matters as at the Specified Date:
- (A) **No Untrue Information:** The particulars of each mortgage loan are complete, true and accurate in all material respects.
 - (B) **Origination and Currency Denomination:** Each loan was originated by the Originator and is denominated in Pounds Sterling.
 - (C) **Property Location:** All mortgaged properties are located in England, Wales, Scotland, or Northern Ireland.
 - (D) **Standard Mortgage Documentation:** All mortgage loans have been made on the terms of the standard mortgage documentation which has not varied in any material respect (subject to exceptions on a case by case basis).
 - (E) **Perfection of Title:** Immediately prior to the sale of the Underlying Assets by the Originator, title to the Underlying Assets was owned solely by the Originator free from any security interest.
 - (F) **Prior Liens:** Each Underlying Asset (including any further advances thereunder) is subject to a first ranking mortgage by way of legal mortgage (or first ranking standard security in Scotland) (subject only in certain appropriate cases to applications for registration or recording, in relation to which the Originator is not aware of any matter that would prevent such registration or recording), subject to statutory priority (for example, under a right to buy loan).

- (G) **Property Deeds and Loan Files:** Save for title deeds held at the Land Registry of England and Wales or Registers of Scotland, all property deeds and loan files are held by (or under the control or to the order of) the Originator (including, where applicable, in electronic form), subject to any completion of any registration or recording pending at the relevant registry.
- (H) **Property Valuation:** A valuation was conducted prior to the granting of the mortgage that would be acceptable in accordance with the Originator's policy to a prudent lender.
- (I) **Proper Accounts and Books of the Originator:** The Originator keeps or ensures the keeping of full and proper accounts, book, and records, showing all material transactions relating to the loan.
- (J) **Setoff:** No lien or contractual right of setoff (excluding set-off in relation to off-set or flexible mortgage loans, which are specifically dealt with in the transaction structure) or counterclaim has been created or arisen which would reduce the amount payable under the mortgage loan between the Originator and Borrower.
- (K) **Lending Criteria:** Prior to any further advances, the lending criteria of the Originator and all preconditions were satisfied in all material respects subject to exceptions as would be acceptable to a reasonable, prudent mortgage lender.
- (L) **Mortgage Loan Legal and Binding:** Each Underlying Asset and its Related Security is valid, binding and enforceable in accordance with its terms, and non-cancellable.
- (M) **Title and Ownership:** The Originator has full right, good and valid title to the Underlying Assets and their Related Security, if applicable.
- (N) **Valid Asset Transfer:** The Originator's interest in the Underlying Assets and the Related Security may be freely transferred without breaching any term or condition of the Underlying Asset Agreement.
- (O) **No Other Pledge:** The Underlying Assets and their Related Security are not subject, either totally or partially, to any lien, assignment, charge, or pledge to any third parties.

- (P) **Compliance with Eligibility Criteria Set Out in the Transaction Documents:** Collateral (i.e. Underlying Assets, Related Security and financing agreements) meet the eligibility criteria, representations and warranties or other conditions for sale as at the Specified Date.
 - (Q) **Financing Agreements' Validity and Enforceability:** Each Underlying Asset Agreement contains a legal, valid and binding obligation of the Obligor, enforceable in accordance with its terms, to pay the sums of money specified in it (other than an obligation to pay interest on overdue amounts).
 - (R) **Origination:** The Underlying Assets and their Related Security meet the standard origination and underwriting criteria of the Originator (subject only to such exceptions as would be acceptable to a reasonable, prudent mortgage lender).
 - (S) **No Borrower Default:** The Originator is not aware of any obligors in material breach or default of any obligations under any loan agreements (other than with respect to monthly payments) to the extent it would have a material adverse effect on the Underlying Assets and their Related Security.
- (ii) The Originator confirms that representations, warranties and undertakings in respect of the Underlying Assets will be given by the Originator and any conditions that are required will be complied with, on or prior to the Issue Date, to substantially the same effect as set out in paragraph 5(h)(i) above.

(p) **SME Loans**

Securities where the Underlying Assets are SME Loans must comply with the following additional criteria:

- (i) As at the Specified Date, the number of Obligor Groups is not less than 500.
- (ii) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Assets due from any single Obligor Group does not exceed an amount equal to 0.75 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.
- (iii) As at the Specified Date, the Underlying Assets are not of a lower credit quality (including tenor) than comparable assets retained by the Originator or previously securitised.

- (iv) As at the Specified Date, none of the Underlying Assets are loans where with respect to monthly payments:
 - (i) no Underlying Asset has more than one scheduled payment outstanding due and unpaid; or
 - (ii) no Underlying Asset is more than 30 days (or calendar month) in arrears.
- (v) As at the Specified Date:
 - (A) an Obligor from each Obligor Group has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party; or
 - (B) where no Obligor from an Obligor Group has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party, there has been a lending relationship between the Originator and such Obligor Group for at least 12 months.
- (vi) As at the Specified Date, the aggregate outstanding principal balance of the Underlying Assets which have no scheduled principal payments due in the next 5 years is not greater than an amount equal to 25 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.
- (vii) As at the Specified Date, no Obligor is in default under another financial obligation owing to the Originator.
- (viii) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.

(q) Belgian Residential Mortgage Loans

Securities where the Underlying Assets are Belgian Residential Mortgage Loans must comply with the following additional criteria:

- (i) As at the Specified Date, the number of Obligors or Underlying Assets is not less than 1,000.
- (ii) As at the Specified Date,
 - (A) The maximum weighted average original LTV of the Underlying Assets is not greater than 85%; and
 - (B) No individual Underlying Asset has an original LTV greater than (a) in the case of an amortising mortgage or mortgages with a defined on-going repayment method, 110% or (b) in the case of a non-amortising mortgage, 100%.

- (iii) As at the Specified Date, no Underlying Asset has an outstanding principal balance:
 - (A) of more than €1,000,000; and
 - (B) which exceeds an amount equal to 1.00 per cent. of the aggregate outstanding principal balance of all the Underlying Assets AND the sum of those Underlying Assets with an outstanding principal balance greater than 0.25 per cent. of the outstanding principal balance of the Underlying Assets shall not exceed 5 per cent. of the outstanding principal balance of the Underlying assets.
- (iv) As at the Specified Date, **each** Underlying Asset (including any further advances thereunder):
 - (A) is a First Ranking Residential Mortgage Loan; or
 - (B) is a First Ranking Residential Mortgage Loan which in addition is secured by a Mortgage Mandate to cover the amount of the loan(s) forming the Underlying Asset; or
 - (C) is an Eligible Second Ranking Mortgage Loan which may or may not be secured in addition by a Mortgage Mandate;
- (v) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.
- (vi) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.
- (vii) The Prospectus discloses (or, for Existing Securities only, either the Prospectus discloses or the Issuer or the Originator undertake in the Originator Certificate that all subsequent Investor Reports will disclose) information regarding the loan to mortgage inscription ratio.
- (viii) As at the Specified Date, no more than 10% of the Underlying Assets (by outstanding principal balance) have an original loan to value of more than 100%.

(r) French Residential Home Loans

Securities where the Underlying Assets are French Residential Home Loans must comply with the following additional criteria:

- (i) As at the Specified Date, the number of Obligors or Underlying Assets is not less than 1,000.

- (ii) As at the Specified Date,
 - (A) The maximum weighted average current LTV of the Underlying Assets is less than 90%; and
 - (B) No individual Underlying Asset has an original LTV greater than (a) in the case of an amortising mortgage or mortgages with a defined on-going repayment method, 110% or (b) No individual Underlying Asset has a current LTV greater than (i) in the case of an amortising mortgage or mortgages with a defined on-going repayment method, 110% or (ii) in the case of a non-amortising mortgage, 100%.
- (iii) As at the Specified Date, no Underlying Asset has an outstanding principal balance:
 - (A) of more than €1,200,000; and
 - (B) which exceeds an amount equal to 1.00 per cent. of the aggregate outstanding principal balance of all the Underlying Assets AND the sum of those Underlying Assets with an outstanding principal balance greater than 0.25 per cent. of the outstanding principal balance of the Underlying Assets shall not exceed 5 per cent. of the outstanding principal balance of the Underlying assets.
- (iv) As at the Specified Date, **each** Underlying Asset (including any further advances thereunder):
 - (A) is a First Ranking Residential Mortgage Loan; or
 - (B) is a Guaranteed Residential Home Loan; or
 - (C) is an Eligible Second Ranking Mortgage Loan.
- (v) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.
- (vi) As at the Specified Date, each Obligor has made at least one scheduled payment under the Underlying Asset Agreement to which it is a party.
- (vii) As at the Specified Date, no more than 10% of the Underlying Assets (by outstanding principal balance) have a current loan to value of more than 100%.

3. **Jurisdiction Specific Criteria**

(a) **German Criteria**

Securities where the Underlying Assets are German must comply with the following additional criteria:

- (i) The Prospectus confirms whether or not the Issuer intends to seek a label from True Sale International.

(b) **Dutch Criteria**

Securities where the Underlying Assets are Dutch must comply with the following additional criteria:

- (i) The Prospectus contains a description of the method of sale or transfer of the Underlying Assets.
- (ii) The Prospectus' description of the method of sale indicates that the Securities are not a Synthetic Securitisation.
- (iii) The Underlying Assets are denominated in an Eligible Currency.
- (iv) As at the Specified Date, each of the Underlying Assets (other than, if disclosed by way of Originator Certificate, Overpaid Assets) has a positive net present value or outstanding principal balance.
- (v) The Underlying Assets have been originated, or originated and acquired, in an Eligible Jurisdiction in the ordinary course of the Originator's business and in accordance with the underwriting procedures at the time of origination.
- (vi) Each Underlying Asset and its Related Security is valid, binding and enforceable in accordance with its terms and not subject to annulment (vernietiging).
- (vii) (A) As at the Specified Date, and other than with respect to monthly payments falling within the scope of (B) below, to the best of the Originator's knowledge, no Obligor is, or has been, since the date of the relevant Underlying Asset, in material breach of any obligation owed in respect of the relevant Underlying Asset or under the Related Security and no steps have been taken by the Originator to enforce any Related Security as a result of such breach; and

(B) with respect to monthly payments, as at the Specified Date (and except for consumer loans and credit cards, which are covered by criteria 4(c)(iii) and 4(d)(ii) respectively):

- (a) no Underlying Asset has more than one scheduled payment outstanding due and unpaid.; or
 - (b) no Underlying Asset is more than 30 days in arrears.
- (viii) Immediately prior to the sale of the Underlying Assets by the Originator, title to the Underlying Assets was owned solely by the Originator free from any security interest (other than, in the case of vehicles, ordinary course possessory liens arising out of repair and maintenance of the vehicle in favour of the entity repairing or maintaining).
- (ix) (A) In the Netherlands the Underlying Assets are not subject to any withholding tax; or

(B) some or all Underlying Assets are subject to withholding tax in the Netherlands, this tax has been disclosed in the Prospectus and the transaction is structured and the cashflows calculated in such a way as to fully account for such tax.
- (x) The Originator may freely transfer the Underlying Asset without breaching any term or condition of the Underlying Asset Agreement.
- (xi) No Underlying Asset Agreement contains confidentiality provisions which restrict the purchaser's exercise of its rights as owner of the Underlying Asset.
- (xii) As at the Specified Date, each Underlying Asset Agreement has been concluded in compliance with either (a) all applicable consumer protection legislation or (b) specific named legislation which has the same scope as the blanket reference to "applicable consumer protection" in (a) above, in both cases to the extent that failure to comply would have a material adverse effect on the enforceability or collectability of any Underlying Asset.
- (xiii) As at the Specified Date, in relation to each Underlying Asset transferred, no Underlying Asset Agreement has been subject to any variation, amendment, modification, waiver or exclusion of time of any kind that in any material way adversely affects its enforceability or collectability.
- (xiv) No Underlying Asset Agreement has been entered into as a consequence of any conduct constituting fraud of the relevant Originator and, to the best of the relevant Originator's knowledge, no Underlying Asset Agreement has been entered into fraudulently by the relevant Obligor.
- (xv) As at the Specified Date, no Obligor which is not an individual is subject to an insolvency event.

(xvi) Each Underlying Asset and its Related Security:

- (A) has been (or will be, upon offer for registration of the relevant deed of assignment with the tax authorities) transferred; and the Originator has warranted that it will effect such registration (or offer to register) within two business days of the transfer of such Underlying Asset to the issue; and
- (B) each transfer is enforceable against creditors of the Originator, and is neither prohibited nor invalid save only for applicable laws affecting the rights of creditors generally.

(c) **Dutch Representations, Warranties and Undertakings**

For Securities whose Underlying Assets are Dutch to be eligible for the PCS label, the transaction from which they arise must have documents which contain the following representations, warranties and undertakings. For Existing Securities, such representations, warranties and undertakings may be explicit or implicitly contained in other wider representations, warranties and undertakings.

- (i) The Prospectus discloses (or, for Existing Securities only, either the Prospectus discloses or the Issuer or the Originator undertake in the Originator Certificate that all subsequent Investor Reports will disclose) representations, warranties and undertakings given by the Originator in respect of the Underlying Assets on the following matters:
 - (A) **Title and Ownership:** The Originator has full right and legal title to the Underlying Assets and their Related Security, if applicable.
 - (B) **Valid Asset Transfer:** There is no restriction on the transfer of assets or associated ancillary rights which is in effect and which has not been set aside by a consent or otherwise. Where appropriate, the Originator represents that the assignment and transfer of receivables and its associated ancillary rights, if applicable, to the Issuer complies with and is in accordance with the laws applicable in the relevant jurisdiction.
 - (C) **Receivables Constitute Valid Claims on the Obligors:** Each Underlying Asset and its Related Security:
 - (A) has been (or will be, upon offer for registration of the relevant deed of assignment with the tax authorities) transferred; and the Originator has warranted that it will effect such registration (or offer to register) within two business days of the date of the transfer of such Underlying Asset to the issue; and

(B) each transfer is enforceable against creditors of the Originator, and is neither prohibited nor invalid save only for applicable laws affecting the rights of creditors generally.

(D) **Compliance with Eligibility Criteria Set Out in the Transaction Documents:** Collateral (i.e. Underlying Assets, Related Security and the Underlying Asset Agreement) meet the eligibility criteria, representations and warranties or other conditions for sale.

(E) **Underlying Asset Agreements' Validity and Enforceability:** Each Underlying Asset and its Related Security is valid, binding and enforceable in accordance with its terms and not subject to annulment (vernietiging).

(F) **No Borrower Default:** Other than with respect to monthly payments and to the best of its knowledge, the Originator is not aware of any Obligors in material breach or default of any obligations under any Underlying Assets.

(G) **No Untrue Information:** There is no untrue information on the particulars of the Underlying Assets and Related Security contained in the sale agreement..

(ii) The Originator confirms that representations, warranties and undertakings 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 paragraph 6 (c) (i) above.

4. **Responsible Lending Rules and Guidelines**

At present, the PCS Market Committee has not yet approved any Responsible Lending Rules and Guidelines.

SCHEDULE

GLOSSARY OF TERMS

Auto Dealer Floorplan Loan: an agreement between an Originator and a dealer pursuant to which the dealer agrees to pay the Originator the purchase price of vehicles sold or supplied by the manufacturer.

Auto Fleet Lease: a lease for the use of a vehicle (of which at least 80% should be passenger or light commercial vehicles) which includes services surrounding the vehicle such as repair and maintenance.

Auto Lease: an agreement under which the Originator leases a Vehicle to the Obligor who agrees to pay periodic instalments.

Auto Loan: a loan made to fund the acquisition of a Vehicle.

Buy-to-Let Residential Mortgage Loan: a first ranking mortgage loan used by the Obligor to purchase residential property that is or will be let.

Consumer Loan: a consumer loan advanced to an individual.

CRA Regulation: Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended from time to time.

Credit Card Receivable: a debt payable under a credit card agreement.

CRR: Capital Requirements Regulation (Regulation 575/2013) of the European Union.

Currency Equivalent Amount: in respect of a euro amount and another Eligible Currency, such euro amount converted into that other Eligible Currency at the rate determined and published by the PCS Secretariat at the time of the calculation.

Domestic Market Guidelines: those domestic securitisation market guidelines which aim to promote best market practice, as selected and published by the PCS Secretariat.

Eligible Asset Class: (i) Auto Dealer Floorplan Loans; (ii) Auto Loans and Auto Leases; (iii) Auto Fleet Leases; (iv) Consumer Loans; (v) Credit Card Receivables; (vi) Non-Auto Leases; (vii) Residential Mortgage Loans; and (viii) SME Loans.

Eligible Currency: (i) a currency of the European Economic Area; (ii) the US dollar; (iii) the Canadian dollar; (iv) the Japanese yen; (v) the Australian dollar; and (vi) the Swiss franc.

Eligible Dealer: a dealer of which the manufacturer or seller of the vehicles has direct or indirect aggregate ownership of not more than 20 per cent.

Eligible Jurisdiction: any jurisdiction in the European Economic Area and Switzerland.

Eligible Second Ranking Residential Mortgage Loan: a second ranking mortgage loan where the first ranking mortgage loan has been paid in full, there is no obligation to allow the debt to be re-drawn under a first ranking mortgage loan without the prior consent of the holder of the second ranking mortgage but the first ranking security has not been discharged.

Equity Release Mortgage Loan: a residential mortgage loan where borrowers have monetised their properties for either a lump sum of cash or regular periodic income (e.g. as a retirement plan).

Existing Securities: Securities already issued at the time a request is made to obtain a PCS label.

First Ranking Residential Mortgage Loan: (a) a first ranking, residential mortgage loan where the mortgaged property was occupied when the loan was made by the borrower and/or one or more family members or (b) a subsequent ranking mortgage where the mortgaged property was occupied when the loan was made by the borrower and/or one or more family members and where the Originator has the benefit of each higher ranking mortgage and all the higher ranking mortgages are also Underlying Assets in the same securitisation.

Granular Assets: Auto Loans and Leases, Consumer Loan and Credit Card Receivables.

Issue Date: the date on which the Securities are issued.

Issuer: the issuer of the Securities.

Investor Report: a report setting out information on the performance of the Underlying Data and the Securities.

Jurisdiction Without Severe Clawback: either (a) a jurisdiction which the European Central Bank has determined pursuant to the rules of the Eurosystem – either explicitly or implicitly through the acceptance of asset backed securities as repo collateral – is not one which has insolvency laws that make a true sale of the Underlying Assets easily reversible (for example, because the insolvency officer of the Originator can set aside a sale merely by virtue of it having been concluded during a “suspect period” unless the Issuer can prove its lack of awareness of the Originator’s insolvency) or (b) an originator jurisdiction where the Bank of England has accepted securities as collateral for its repo operations or (c) a jurisdiction which PCS has determined in its sole discretion is an acceptable jurisdiction for an Originator to be established in by virtue of its insolvency system as published in the latter case by PCS from time to time.

LTV: the ratio, expressed as a percentage, of the principal amount outstanding of a residential mortgage loan to the market value of the property securing that loan.

Mortgage Mandate: a Belgian law hypothecair mandaat/mandat hypothécaire exercisable at any time and pursuant to which a proxy receives from the borrower an irrevocable option to unilaterally create a mortgage in favour of the lender over the

same property securing the relevant First Ranking Residential Mortgage (or, as the case may be, Eligible Second Ranking Mortgage).

Multi-Issuance Pool: a pool of Underlying Assets that is not a Single Issuance Pool.

Non-Auto Lease: an agreement pursuant to which the Originator leases to the Obligor property, other than a Vehicle but including machinery and furniture who agrees to pay periodic instalment.

Obligor: a borrower or a guarantor under an Underlying Asset Agreement.

Obligor Group: an Obligor together with (i) its holding company; (ii) its subsidiaries; and (iii) any other affiliated company as set out in the published accounts of any such company.

Ongoing Involvement: an entity has an 'Ongoing Involvement' if it provides: (i) a guarantee of the Securities; (ii) cash or cash equivalent to the Issuer in certain specified circumstances; (iii) a service to the Issuer.

Originator: (i) an entity which, either itself or through related entities, directly or indirectly, was involved in the original agreement which created the obligations or potential obligations of an Obligor; or (ii) an entity which purchases Underlying Assets and then securitises them.

Originator Certificate: a certificate provided by the Originator to the PCS Secretariat as part of the PCS label application process.

Originator Group: the Originator and (i) its holding company; (ii) its subsidiaries; and (iii) any other affiliated company as set out in the published accounts of any such company but excluding entities within the group that are in the business of investing in securities and whose investment decisions are taken independently of, and at arms length from, the Originator.

Overpaid Asset: an Underlying Asset which has a negative balance solely as a result of a temporary overpayment made by the Obligor on final redemption.

PCS Eligibility Criteria: the eligibility criteria determined and published from time to time by the PCS Secretariat.

PCS Secretariat: Prime Collateralised Securities (PCS) UK Limited.

Prospectus: the prospectus produced in connection with the issue of the Securities (or for Securities backed by a Multi-Issuance Pool, the most recently published prospectus) and includes a base prospectus, a drawdown prospectus and any applicable final terms.

Recognised Data Repository: either (i) a data repository that complies with the requirements of the Bank of England concerning data disclosure for eligibility to its repo programs, or (ii) the European Data Warehouse or (iii) another publicly available electronic depository that is approved and published by PCS.

Related Security: in relation to an Underlying Asset, any security for the repayment of that Underlying Asset sold to the relevant securitisation entity.

Re-Securitisation: a securitisation of one or more exposures where at least one of these exposures is a securitisation.

Residual Value: the lump sum payable at the maturity of a lease contract by the lessee, where the lessee exercises its right to obtain ownership of the leased assets.

Responsible Lending Rules and Guidance: laws, regulations, rules, codes and/or procedures applicable to residential mortgage lending in a jurisdiction which seek to provide a scheme for lenders to lend on the basis of sound practices as to affordability, security, borrower rights, and/or other standards and as selected and published by the PCS Secretariat as meeting this definition.

Residential Mortgage Loan means a First Ranking Residential Mortgage Loan, or an Eligible Second Ranking Residential Mortgage Loan or a Social Housing Loan or a Buy-to-Let Residential Mortgage Loan.

Securities: the asset-backed securities in respect of which the PCS label is being sought.

Self-Certified Mortgage Loan: a mortgage loan marketed and underwritten on the premise that the applicants and/or intermediaries representing them were made aware prior to the Originator's underwriting assessment that income could be self-certified.

Single-Issuance Pool: a pool of Underlying Assets backing a single transaction where it is not anticipated and documented that additional issuances will take place at a later date backed by the same pool when the original transaction is still outstanding.

SME Loan: a loan made to a small or medium-sized enterprise for general business purposes or another small corporate loan with full recourse to the borrower.

Social Housing Loans: a first ranking mortgage loan advanced by an Originator to an Obligor which is a housing association or a registered social landlord.

Specified Date:

- (a) where the Securities are backed by a Single-Issuance Pool, a date, specified in the Prospectus, which (in respect of the Underlying Assets backing the Securities on the Issue Date) falls not more than three and a half calendar months prior to the Issue Date or (in respect of any Underlying Assets backing the Securities acquired at a later date) falls not more than three and a half calendar months prior to such later date; or
- (b) where the Securities are backed by a Multi-Issuance Pool, a date, which falls not more than three calendar months and two weeks prior to the date of the transfer to the Multi-Issuance Pool of the Underlying Assets (and for the avoidance of doubt, there may be more than one transfer date in respect of any Multi-Issuance Pool),

(and for the avoidance of doubt, there may be more than one “Specified Date” in any transaction).

Synthetic Securitisation: a securitisation of one or more underlying assets where risk transfer is achieved through the use of credit derivatives or other similar financial instruments and there is no sale or granting of a security interest in the underlying assets to the Issuer.

Time Subordinated Securities: classes (or sub-classes) of Securities of the same seniority with different scheduled redemption dates (or, where there is no scheduled redemption date for the Securities, different final maturity dates).

Underlying Asset Agreement: the agreement governing an Underlying Asset.

Underlying Assets: the assets backing the payment of the Securities.

Vehicle: a motor car (including vans, camper vans and trucks), trailer, caravan, agricultural or forestry tractor, motorcycle, motor tricycle or a tracked vehicle.