

**PRIME  
COLLATERALISED  
SECURITIES**

**RISK TRANSFER  
SECURITISATION**

**ELIGIBILITY  
CRITERIA**



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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) Balance Sheet Asset

- (i) In the case of a regulated bank or insurance company, the Underlying Assets must be at or before the Specified Date on the regulatory balance sheet of the Protection Buyer or one of its affiliates;
- (ii) In the case of any other type of Protection Buyer, the Underlying Assets must be owned by the Protection Buyer or a member of the Protection Buyer's group.

#### (b) Alignment of Interests Standards

- (i) The Protection Buyer shall retain a material net economic interest sufficient to meet the requirements of Article 405 of the EU Capital Requirements Regulation; and
- (ii) The Protection Buyer shall undertake in the Risk Transfer Securitisation Documentation that it shall not further hedge its exposure to the Underlying Assets beyond the Risk Transfer Securitisation in such a manner as to result in the double hedging of the same risk.

#### (c) No Iterative Credit Tranching

The Risk Transfer Securitisation is not part of a Re-Securitisation.

#### (d) 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 relevant Underlying Asset 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.

#### (e) Transparency Standards

- (i) The Protection Buyer and the SPE (if any) shall provide access to data on static and dynamic historical default and loss performance,

such as delinquency, default data and recoveries, for substantially similar exposures to those being securitised to investors before investing. Those data shall cover a period no shorter than five years. The basis for claiming similarity shall be disclosed.

- (ii) The Protection Buyer and/or the SPE (if any) shall provide the investors, on at least a quarterly basis, with relevant information on the performance of the securitisation throughout the life of the Risk Transfer Securitisation. Such information should include:
  - (a) for pools where the identity of the Obligors is undisclosed, an update on the loan-level data of the reference portfolio;
  - (b) for pools where the identity of the Obligors is disclosed, summary statistics on the Underlying Assets; and
  - (c) coupon payment information and the method of its calculation.

The information provided shall reflect the status of the pool at a date no earlier than 45 days from the date the report is provided to investors.

- (iii) The Protection Buyer and SPE (if any) shall be jointly responsible for compliance with information reporting obligations. The Protection Buyer and SPE (if any) shall undertake to and shall make available the final documentation (directly or indirectly) to investors shortly after the Closing Date.
- (iv) The Protection Buyer undertakes that it will disclose to investors and potential investors:
  - (a) loan-level data to enable investors or third party contractors to build a cash flow model setting out the Risk Transfer Securitisation cash flows and detailed summary statistics on the underlying exposures. Such data should include, for each Underlying Asset;
    - (i) the notional amount of the Underlying Asset;
    - (ii) the country of business of the relevant Obligor;
    - (iii) the economic activity sector of the relevant Obligor;
    - (iv) the maturity date of each Underlying Asset;
    - (v) the amortisation profile of each Underlying Asset;
    - (vi) where the identities of the Obligors is undisclosed the rating and/or (regulatory) PD estimate for the Underlying Assets;

- (vii) where the identities of the Obligors is undisclosed the (regulatory) LGD estimate of the Underlying Assets;
  - (viii) the currency in which each Underlying Asset is denominated;
  - (ix) the payment frequency of the Underlying Assets;
  - (x) the availability and/or value of collateral (if applicable) for each Underlying Asset;
  - (xi) the loan type of each Underlying Asset (if applicable);
  - (xii) any FX rate (if applicable) for Underlying Assets denominated in more than one currency; and
  - (xiii) any FX date used for fixing FX rates for any Underlying Asset (if applicable);
- (b) details of the information relating to the Risk Transfer Securitisation and the Underlying Assets which will be made available for so long as the Risk Transfer Securitisation is outstanding, when such information will be made available and where such information will be made available (including how investors will be able to access it);
- (c) all material Protection Buyer (and SPE, if any) undertakings, representations and warranties;
- (d) a description of the underwriting criteria, process and standards applied in originating the Underlying Assets;
- (e) a description of processes and standards (i.e. administration, collection, recovery and back up servicing) applied in servicing the Underlying Assets;
- (f) the ratings which will trigger:
- (i) a requirement for the provision of Collateral; or
  - (ii) the replacement of any entity involved in the Risk Transfer Securitisation; or
  - (iii) the transfer of any bank accounts; or
- confirms that no such triggers exist;
- (g) the method or methods by which the Risk Transfer Securitisation shall amortise and, if there is more than one method of amortisation, the circumstances in which each method shall be applied;

- (h) the identity of the Verification Agent, together with a statement that the Verification Agent is an entity independent of the Protection Buyer and that the Verification Agent's appointment is effective or shall be effective on or prior to the Closing Date;
- (i) the nature and extent of the verification process that the Verification Agent shall perform;
- (j) in Risk Transfer Securitisations where some or all of the Underlying Assets are denominated in a currency other than the Transaction Currency, the exchange rate or rates at which the currency of the Underlying Assets shall be converted into the Transaction Currency and the circumstances, if any, in which these exchange rates may change;
- (k) the duration of any replenishment period, and any circumstances in which that replenishment period may be extended or may end earlier than expected;
- (l) the loss trigger events that may result in a protection payment being made by investors;
- (m) the length of any grace periods that are to apply following a failure to pay by an Obligor before a "failure to pay" loss trigger event occurs;
- (n) the method of calculation of protection payments;
- (o) the timing for any protection payments;
- (p) if interim protection payments are provided for:
  - the timing of such interim protection payments;
  - the method of calculation of such interim payments;
  - the timing of any adjustment payment following an interim payment;
- (q) the date after which final losses on Underlying Assets would be subject to an estimation;
- (r) the Protection Buyer's average work-out period for assets of a similar type as the Underlying Assets;
- (s) any events that allow the Protection Buyer to exercise Call Rights;
- (t) the Maximum Protection Amount;
- (u) any mechanism for increasing or decreasing the maximum protection amount in respect of any Underlying Asset;

- (v) any payments due from or to investors following the termination of the credit protection provided by the Risk Transfer Securitisation;
- (v) The Protection Buyer (and, if applicable, the SPE) shall undertake to provide and shall provide to investors the information referred to in (iv)(b) above until no amounts falls to be paid by or to investors under the Risk Transfer Securitisation.
- (vi) The Risk Transfer Securitisation Documentation shall clearly specify:
  - (i) the contractual obligations, duties and responsibilities of the trustee (where applicable) and any other Risk Transfer Securitisation parties (including any ancillary service providers), (ii) provisions that ensure the replacement of any Risk Transfer Securitisation party (other than the Protection Buyer and investors) upon their default, insolvency, and other specified events, where applicable.
- (vii) the Risk Transfer Securitisation Documentation shall clearly specify:
  - (a) The servicing procedures that apply at the Closing Date to servicing the Underlying Assets;
  - (b) The circumstances in which these procedures may be modified;
  - (c) The servicing standards that will apply to the Servicer in servicing the Underlying Assets for so long as the Risk Transfer Securitisation is outstanding.
- (viii) For Public Risk Transfer Securitisation only, the Protection Buyer undertakes that it will disclose in the first investor report the amount of the Securities:
  - (a) Privately placed with investors which are not in the Protection Buyer Group; and
  - (b) Retained by a member of the Protection Buyer Group.

**(f) Additional Risk Transfer Securitisation Quality Standards**

- (i) The Protection Buyer is incorporated in a jurisdiction in the European Economic Area or Switzerland.
- (ii) The Underlying Assets shall meet predetermined and clearly defined eligibility criteria in order to be eligible for credit protection.
- (iii) An Underlying Asset may only be removed from the securitisation where it:
  - (a) has been repaid or otherwise matured;
  - (b) the Protection Buyer has disposed of its interest in such exposure to an entity which is not an affiliate;

- (c) where the Underlying Asset did not meet the eligibility criteria at the time it was included in the securitisation;
  - (d) the Underlying Asset is subject to a refinancing or amendment that is not credit driven and which occurs in the ordinary course of servicing such asset; or
  - (e) the amount of regulatory capital that would otherwise have had to be held against the Underlying Asset increased.
- (iv) Where the Risk Transfer Securitisation includes a replenishment period, additional exposures may be added to the securitisation provided that such additional exposures meet the eligibility criteria and any other clearly defined replenishment conditions.
  - (v) The Underlying Asset shall be homogenous in terms of asset category.
  - (vi) The Underlying Assets shall not include derivatives (other than derivatives entered into for commercial hedging purposes in connection with the Underlying Assets).
  - (vii) Following the occurrence of an enforcement or acceleration event, sequential amortisation should apply to all tranches so that as the Underlying Assets amortise, such amortisation should be applied to reduce all tranches in order of seniority.
  - (viii) As tranches amortise, where investors have provided Collateral for those tranches, Collateral should be returned to investors in line with such amortisation.
  - (ix) Underlying Assets should be serviced in the same way as other assets of the Protection Buyer which are not securitised and to the standard of a reasonable prudent lender/financier.
  - (x) The Servicer shall have expertise in servicing assets of a similar nature to the Underlying Assets and shall have performed servicing of this nature for at least 3 years.
  - (xi) The Verification Agent shall be independent of the SPE and the Protection Buyer and shall have been validly appointed (and shall have accepted its appointment) on or before the Closing Date.
  - (xii) The investors shall not be required to make any final protection payments under the Risk Transfer Securitisation unless the Verification Agent has verified at least the following:
    - (a) that the relevant Underlying Assets complied with the eligibility criteria at the time they were included in the securitisation;
    - (b) that replenishments complied with the replenishment conditions;
    - (c) the occurrence of loss trigger events;

- (d) that relevant exposures were included in the securitisation at the time of the occurrence of the relevant loss trigger events;
- (e) final loss and credit protection amounts in respect of loss trigger events; and
- (f) that the Protection Buyer was in compliance at all times with its risk retention requirements.

Such verification by the Verification Agent may be performed on a sample basis rather than for each individual Underlying Asset for which a protection payment is sought BUT in all cases, any investor must have the right to require an asset by asset verification if it is not satisfied with the sample verification.

- (xiii) The Protection Buyer shall undertake in the Risk Transfer Securitisation Documentation that it shall provide to the Verification Agent all the necessary information to verify the requirements set out in the paragraph above.
- (xiv) The Transaction Currency shall be an Eligible Currency.
- (xv) Where Underlying Assets are denominated in a currency other than the Transaction Currency, any losses and recoveries in respect of those Underlying Assets should be converted into the Transaction Currency at one or more pre-determined exchange rates.
- (xvi) If the Protection Buyer is able to reset the exchange rate for individual Underlying Assets to reflect movements in the currency rate, where such resetting results in an increase in the maximum protection amount for that asset, such increase must be treated as a replenishment or inclusion of a new Underlying Assets into the reference portfolio.

**(g) Risk Transfer Securitisation Standards**

- (i) the credit protection is direct.
- (ii) The amounts payable by investors under the Risk Transfer Securitisation are:
  - clearly defined;
  - capable of calculation in all circumstances; and
  - limited in amount.
- (iii) The circumstances in which investors are required to make payments under the Risk Transfer Securitisation are:
  - clearly defined;

- objective or subject to a determination by the Verification Agent; and
  - Limited in number.
- (iv) The rights of the Protection Buyer to receive protection payments under the Risk Transfer Securitisation are enforceable.
- (v) Where Collateral is provided the Collateral shall be in the form of:
- (a) Cash deposited in an EEA regulated credit institution (or an EEA branch of a third country credit institution);
  - (b) OECD sovereign securities;
  - (c) IFI securities;
  - (d) Senior secured obligations of an EEA credit institutions;
  - (e) Senior tranches of securitisations with a PCS Label; and/or
  - (f) Investments that are nominally and specifically agreed on a case by case basis during the life of the transaction between the Protection Buyer and investors.
- (vi) The rights of the Protection Buyer to use the Collateral to meet protection payment obligations of the investors shall be enforceable.
- (vii) The rights of the investors when the Risk Transfer Securitisation is no longer outstanding to the return of any Collateral that has not been used to meet protection payments shall be enforceable.
- (viii) Where Collateral may be invested in securities, the Risk Transfer Securitisation Documentation sets out the eligibility criteria and custody arrangement for such securities.
- (ix) Where the investors remain exposed to the credit risk of the Protection Buyer, this must be clearly disclosed in the Risk Transfer Securitisation Documentation.

**Loss trigger events:**

- (x) The Risk Transfer Securitisation may only include the following four loss trigger events:
- (a) Bankruptcy;
  - (b) Failure to Pay;
  - (c) Restructuring; and
  - (d) Unlikely to Pay.

**Credit protection payments:**

- (xi) Save where paragraph (xiv) applies, credit protection payments following the occurrence of a loss trigger event should be calculated based on the actual realised loss incurred by the holder of the Underlying Asset determined in accordance with its standard recovery policies and procedures for the relevant type of exposures.
- (xii) Where the protected amount is less than the Protection Buyer's total exposure to the relevant Underlying Asset, the credit protection payment should be in the same proportion to the protected amount as the Protection Buyer's realised loss bears to its total exposure, subject only to the rule on interim payments.
- (xiii) The final credit protection payment should be payable within a specified period following the end of the workout process for the relevant Underlying Asset.

**Calculation of credit protection payment following termination of the Risk Transfer Securitisation:**

- (xiv) Where the workout process following a loss trigger event has not been completed by the end of a specified period of time following the scheduled maturity or early unwind of a Risk Transfer Securitisation, an estimate should be made of the final realised loss amount to be used for the purpose of the final credit protection payment.
- (xv) The estimate should be of the final loss the Protection Buyer is expected to suffer.
- (xvi) Where the estimate is made by the Protection Buyer or a related party, this estimate should be verified by the Verification Agent.
- (xvii) The estimate should be made in a commercially reasonable manner consistent with the workout policies of the Protection Buyer.
- (xviii) Following any termination by investors of the credit protection under the Risk Transfer Securitisation the workout process should continue in respect of any outstanding loss trigger events which occurred prior to such termination in the same way as for any other termination of the Risk Transfer Securitisation.

**Call Rights:**

- (xix) Protection Buyer Call Rights should be limited to:
  - (a) regulatory events;
  - (b) a time call; and
  - (c) a clean-up call when the securitised portfolio has reduced to 10% or less of the initial portfolio.

**Protected amount:**

- (xx) The Maximum Protection Amount is to be calculated either by reference to the individual Underlying Assets or to the Obligor(s) in respect of those assets.

**Interest rate risk:**

- (xxi) Interest rate risk associated with the Risk Transfer Securitisation should be mitigated and measures taken to that effect shall be disclosed.
- (xxii) In the case of a Risk Transfer Securitisation involving an SPE the securitisation special purpose entity's interest liabilities to investors should be equal to or less than its income from the Protection Buyer and any collateral arrangements.

**Additional SRT Provisions**

- (xxiii) The Protection Buyer must set out in the Risk Transfer Securitisation Documentation whether it has requested from its supervisory authority permission to calculate the risk weighted amounts in respect of the portfolio of Underlying Assets in accordance with the securitisation framework, based on the relevant risk transfer securitisation meeting the applicable "significant risk transfer securitisation" requirements.
- (xxiv) If the Protection Buyer has indicated that the Risk Transfer Securitisation is expected to meet the "significant Risk Transfer Securitisation" requirements, the Risk Transfer Securitisation Documentation must clearly set out how the following requirements shall be met:
  - (a) The Protection Buyer has no rights or obligations to extinguish the rights to receive protection payments in respect of defaulted Underlying Assets;
  - (b) Any premia payable by the Protection Buyer to investors under the Risk Transfer Securitisation may not be modified by reference to the performance of the Underlying Assets;
  - (c) If the Maximum Protection Amount has been reduced as a result of loss trigger events in respect of the Underlying Assets, the amount of premium paid by the Protection Buyer to investors under the Risk Transfer Securitisation shall reduce pro rata;
  - (d) Any use of "excess spread" for the benefit of investor is to be limited to no more than the actual excess spread generated by the Underlying Assets;
  - (e) Upon the exercise of a time call or a clean-up call by the Protection Buyer, the Protection Buyer shall continue to be entitled to receive protection payments in respect of such

Underlying Assets to the extent of their Regulatory Impaired Value.

**Investor Termination Rights:**

- (xxv) Investors should be able to terminate the credit protection if there is a payment default by the Protection Buyer in respect of any premium or other amounts payable by the Protection Buyer to investors under the Risk Transfer Securitisation.

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

In order for a Risk Transfer Securitisation (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 Obligors are:
  - (a) Other than for Corporate Loans, all domiciled in the EEA or Switzerland; and
  - (b) for Corporate Loans, either:
    - (i) ~~all domiciled in one of the EEA countries or Switzerland; or all domiciled in a single G7 country; or~~
    - (ii) ~~they meet the Geographical Criterion; and~~
  - (c) not part of the same corporate group as the Protection Buyer.
- (ii) the Underlying Assets have been originated in the ordinary course of the Originator's business pursuant to underwriting standards that are no less stringent than those the Originator applies to origination of similar exposures that are not securitised.
- (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) Each Underlying Asset and its Related Security is valid, binding and enforceable in accordance with its terms and non-cancellable.
- (v) Each Underlying Asset – other than Corporate Loans – was originated in, and is governed by the laws of, an Eligible Jurisdiction.
- (vi) No Non-Retail Underlying Asset shall be included in a Risk Transfer Securitisation where, at the Specified Date:

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- (a) the Obligor is in material breach of an obligation owed in respect of that Underlying Asset or Related Security, (other than an obligation referred to in sub-paragraph (b), below) and steps have been taken by the Protection Buyer to enforce any Related Security as a result of such breach;
  - (b) with respect to payment obligations:
    - (i) the Obligor is assessed to be unlikely to pay its credit obligations in full without realisation of collateral; or
    - (ii) any payment is more than 90 days in arrears; or
  - (c) the Obligor is in default under another financial obligation owing to the Protection Buyer.
- (vii) No Retail Underlying Asset shall be included in a Risk Transfer Securitisation where, at the Specified Date:
- (a) The Obligor is in material breach of an obligation owed in respect that Underlying Asset or Related Security, (other than an obligation referred to in sub-paragraph (b) below) and steps have been taken by the Protection Buyer to enforce any Related Security as a result of such breach;
  - (b) In respect to payment obligations, no Underlying Asset has more than one scheduled payment outstanding and unpaid OR is more than 30 days overdue.  
  
This requirement shall not apply to Credit Card Receivables (where specific criteria are set as in the relevant section).
- (viii) At the time at which a securitised exposure is included the securitisation:
- (a) an individual Obligor or 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 or member of an Obligor Group has made at least one scheduled payment, there has been a lending relationship between the Originator and such Obligor Group for at least 12 months.  
  
This requirement shall not apply in the case of Corporate Loans, Credit Card Receivables, Residential Mortgage Loans, Consumer Loans (where specific criteria are set out in the relevant sections) or exposures payable in a single instalment.
- (ix) As at the Specified Date, in relation to each Underlying Asset, 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.

- (x) As at the Specified Date, each Retail 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) No Underlying Asset Agreement has been entered into as a consequence of any conduct constituting fraud of the Protection Buyer and, to the best of the Protection Buyer’s knowledge, no Underlying Asset Agreement has been entered into fraudulently by the relevant Obligor or, if the Protection Buyer is not the Originator, the Originator.
- (xii) 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 Risk Transfer Securitisations to be eligible for the PCS label, the Risk Transfer Securitisation Documentation must 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); or (ii) UK Residential Mortgage Loans – for which alternative rules can be found in Section 2 (n)). For Existing Risk Transfer Securitisation, such representations, warranties and undertakings may be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

The Risk Transfer Securitisation Documentation discloses (or, for Existing Risk Transfer Securitisations only, either the Risk Transfer Securitisation Documentation discloses or the Protection Buyer undertakes in the Protection Buyer Certificate that all subsequent Investor Reports will disclose) representations, warranties and undertakings given by the Protection Buyer in respect of the Underlying Assets on the following matters:

- (A) **Exposure:** Where the Protection Buyer is a bank or insurance company, the Protection Buyer must account for the credit risk of the Underlying Assets in its regulatory balance sheet OR, where the Protection Buyer or a member of the Protection Buyer’s Group is not a bank or insurance company, the Protection Buyer has full right, good and valid title to the Underlying Assets and their associated ancillary rights, if applicable.
- (B) **Compliance with Eligibility Criteria Set Out in the Risk Transfer Securitisation Documents:** Each Underlying Asset meets the eligibility criteria, representations and warranties or other conditions for the payment of a protection payment.

- (C) **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).
- (D) **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 lender).
- (E) **No Borrower Default:** The Protection Buyer 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.
- (F) **No Untrue Information:** There is no untrue information on the particulars of the Underlying Assets contained in the Risk Transfer Securitisation Documentation.

## 2. Asset Specific Eligibility Criteria

### (a) Auto Dealer Floorplan Loans

Risk Transfer Securitisations 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) As at the Specified Date, no Obligor is in default under another financial obligation owing to the Protection Buyer.

**(b) Auto Loans and Auto Leases**

Risk Transfer Securitisations 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 Risk Transfer Securitisation Documentation 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.

**(c) Auto Fleet Leases**

Risk Transfer Securitisations 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 vehicles covered by 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) 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) Information must be provided in the Risk Transfer Securitisation Documentation as to the industry sector of the top 15 accounts as measured by their outstanding amounts.

**(d) Consumer Loans**

Risk Transfer Securitisations 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 7.5% of the aggregate outstanding principal balance of all Underlying Assets.
- (iii) 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**

Risk Transfer Securitisations where the Underlying Assets are Credit Card Receivables must comply with the following additional criteria:

- (i) As at the Specified Date, the number of Underlying Assets or Obligors is not less than 100,000.
- (ii) 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

- (iii) 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 Protection Buyer 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 Risk Transfer Securitisations taking into account the proposed addition of Underlying Assets.
- (iv) 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**

Risk Transfers 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 1.00 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.
- (iii) The Risk Transfer Securitisation Documentation 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.
- (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.

## **(g) Residential Mortgage Loans**

### **General Residential Mortgage Loan Criteria**

Risk Transfers 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**

Risk Transfer Securitisations 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) 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.

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

In addition to the representations, warranties and undertakings required for all Risk Transfer Securitisations to be eligible for the PCS label, where the Underlying Assets are Dutch Residential Mortgage Loans, the Risk Transfer Securitisation Documentation must contain the following representations, warranties and undertakings. For Existing Risk Transfer Securitisations, such representations, warranties and undertakings may be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

The Risk Transfer Securitisation Documentation discloses (or, for Existing Risk Transfer Securitisations only, either the Risk Transfer Securitisation Documentation discloses or the Protection Buyer undertakes in the Protection Buyer Certificate that all subsequent Investor Reports will disclose) representations, warranties and undertakings given by the Protection Buyer 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:** Each loan 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 Protection Buyer 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, the Protection Buyer is not aware of any reason why a claim under the NHG guarantee scheme should not be honoured.
- (O) **No Default:** Other than with respect to monthly payments and to the best of its knowledge, the Protection Buyer is not aware of any Obligors in material breach or default of any obligations under any Underlying Assets.
- (P) **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.

- (Q) **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 the payment of a protection amount.
- (R) **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.

**(j) Spanish Residential Mortgage Loans**

Risk Transfer Securitisations 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 Risk Transfer Securitisations to be eligible for the PCS label, where the Underlying Assets are Spanish Residential Mortgage Loans, the Risk Transfer Securitisation Documentation must contain the following representations, warranties and undertakings. For Existing Risk Transfer Securitisations, such representations, warranties and undertakings may be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

(i) The Risk Transfer Securitisation Documentation discloses (or, for Existing Risk Transfer Securitisations only, either the Risk Transfer Securitisation Documentation discloses or the Protection Buyer undertakes in the Protection Buyer Certificate that all subsequent Investor Reports will disclose) representations, warranties and undertakings given by the Protection Buyer 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 Protection Buyer is not aware of the existence of litigation regarding the ownership of those properties capable of impairing the mortgages.
- (G) **No Setoff Right:** The Protection Buyer has no knowledge that any of the obligors on the mortgage loans has any credit against itself or the Originator 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 Protection Buyer 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 Protection Buyer 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 Protection Buyer, 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 Risk Transfer Securitisation Documentation 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 Originator.
- (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 authorised 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 Protection Buyer has received no notice of full repayment of the mortgage loans.
- (W) **Individuals:** Obligors are all individuals.

**(I) UK Residential Mortgage Loans (excluding Buy-to-Let Residential Mortgage Loans)**

Risk Transfer Securitisations 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.
- (ii) 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.
- (iii) As at the Specified Date, the number of Obligors or Underlying Assets is not less than 1,000.
- (iv) 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.
- (v) 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 Protection Buyer 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.
- (vi) The Underlying Assets do not include Self-Certified Mortgage Loans or Equity Release Mortgage Loans.
- (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.
- (viii) No securitised exposures shall be included in a Risk Transfer Securitisation where, at the time of the proposed inclusion of the relevant exposure:

- (a) the obligor is in material breach of any obligation owed in respect of the relevant underlying exposure or under any Related Security, other than an obligation referred to in sub-paragraph (b), below;
- (b) with respect to payment obligations:
  - (i) any payment is more than 30 days in arrears; or
  - (ii) there is more than one scheduled payment outstanding due and unpaid.

**(m) UK Buy-to-Let Residential Mortgage Loans**

Risk Transfer Securitisations 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 Obligor is not less than 750.<sup>1</sup>
- (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.
- (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 Protection Buyer or granted to the Originator and validly transferred to the Protection Buyer).
- (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.

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<sup>1</sup> 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.

(vii) No Underlying Asset shall be included in a Risk Transfer Securitisation where, at the time of the proposed inclusion of the relevant exposure:

(a) the obligor is in material breach of any obligation owed in respect of the relevant underlying exposure or under any Related Security, other than an obligation referred to in sub-paragraph (b), below;

(b) with respect to payment obligations:

(i) any payment is more than 30 days in arrears; or

(ii) there is more than one scheduled payment outstanding, due and unpaid.

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

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

(i) The Underlying Assets are denominated in Sterling.

(ii) As at the Specified Date, each of the Underlying Assets has a positive net present value or outstanding principle balance.

(iii) The Underlying Assets have been originated by the Originator and -if the Protection Buyer is not the Originator – acquired by the Protection Buyer, in the United Kingdom in the ordinary course of the Originator's and, if relevant, the Protection Buyer's business and in accordance with the Originator's underwriting procedures at the time of origination and the Protection Buyer's underwriting procedures at the time of acquisition.

(iv) Each Underlying Asset and its Related Security is valid, binding and enforceable in accordance with its terms and non-cancellable.

(v) 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.

(vi) As at the Specified Date, 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.

(vii) No Underlying Asset has been entered into as a consequence of any conduct constituting fraud of the Originator and, to the best of the

Protection Buyer's knowledge, no Relevant Mortgage Loan has been entered into fraudulently by the relevant Borrower or, if the Protection Buyer is not the Originator, the Originator.

- (viii) Where the Portfolio contains Underlying Assets which are Buy-to-Let Residential Mortgage Loans with corporate Obligors, no such corporate Obligor is subject to an insolvency event.

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

For Risk Transfer Securitisations where the Underlying Assets are UK Residential Mortgage Loans to be eligible for the PCS label, the Risk Transfer Securitisations Documentation must contain the following representations, warranties and undertakings. For Existing Risk Transfer Securitisations, such representations, warranties and undertakings may be explicit or implicitly contained in other, wider, representations, warranties and undertakings.

The Risk Transfer Securitisations Documentation discloses (or, for Existing Risk Transfer Securitisations only, either the Risk Transfer Securitisation Documentation discloses or the Protection Buyer undertake in the Protection Buyer Certificate that all subsequent Investor Reports will disclose) representations, warranties and undertakings given by the Protection Buyer 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) **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 Protection Buyer 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).
- (F) **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 Protection Buyer (including, where applicable, in electronic form), subject to any completion of any registration or recording pending at the relevant registry.

- (G) **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.
- (H) **Proper Accounts and Books of the Originator:** The Protection Buyer keeps or ensures the keeping of full and proper accounts, book, and records, showing all material transactions relating to the loan.
- (I) **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 Risk Transfer Securitisation structure) or counterclaim has been created or arisen which would reduce the amount payable under the mortgage loan between the Protection Buyer and the Obligor.
- (J) **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.
- (K) **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.
- (L) **Title and Ownership:** The Protection Buyer is a bank or insurance company and accounts for the Underlying Assets in its regulatory balance sheet OR, the Protection Buyer is not a bank or insurance company, and it, or a member of its Group, has full right, good and valid title to the Underlying Assets and their Related Security.
- (M) **Compliance with Eligibility Criteria Set Out in the Risk Transfer Securitisation Documentation:** Collateral (i.e. Underlying Assets, Related Security and financing agreements) meets the eligibility criteria, representations and warranties as at the Specified Date.
- (N) **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).
- (O) **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).

- (P) **No Borrower Default:** The Protection Buyer 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.

**(p) Belgian Residential Mortgage Loans**

Risk Transfer Securitisations 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 Risk Transfer Securitisation Documentation discloses (or, for Existing Risk Transfer Securitisations only, either the Risk Transfer Securitisation Documentation discloses or the Protection Buyer undertake in the Protection Buyer's 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%.

**(q) SME Loans**

Risk Transfer Securitisations where all 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 1.00 per cent. of the aggregate outstanding principal balance of all the Underlying Assets.
- (iii) 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.

**(r) Corporate Loans**

Risk Transfers where the Underlying Assets are Corporate Loans must comply with the following additional criteria:

- (i) As at the Specified Date, the number of Obligor Groups is not less than 100 or, if some Corporate Loans are SME Loans, 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 1.00 per cent. of the aggregate

outstanding principal balance of all the Underlying Assets or, but only for Underlying Assets (a) which are not SME Loans and (b) in respect of which specified Obligor Credit Criteria set out in the Risk Transfer Securitisation Documentation have been met, 5.00 per cent.

- (iii) 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 either (i) there has been a lending relationship between the Originator and such Obligor Group for at least 12 months or (ii) the Underlying Asset has been created following an underwriting process or KYC process with the borrowers which includes demonstration of knowledge of the companies and senior management.

### **3. Jurisdiction Specific Criteria**

#### **(a) Dutch Criteria**

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

- (i) The Underlying Assets are denominated in an Eligible Currency.
- (ii) As at the Specified Date, each of the Underlying Assets (other than, if disclosed by way of Protection Buyer Certificate, Overpaid Assets) has a positive net present value or outstanding principal balance.
- (iii) 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.
- (iv) Each Underlying Asset and its Related Security is valid, binding and enforceable in accordance with its terms and not subject to annulment (vernietiging).
- (v) 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.

- (vi) 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.
- (vii) No Underlying Asset Agreement has been entered into as a consequence of any conduct constituting fraud of the relevant Protection Buyer and, to the best of the relevant Protection Buyer's knowledge, no Underlying Asset Agreement has been entered into fraudulently by the relevant Obligor or, where the Protection Buyer is not the Originator, the Originator.
- (viii) As at the Specified Date, no Obligor which is not an individual is subject to an insolvency event.
- (ix) No Non-Retail Underlying Asset shall be included in a Risk Transfer Securitisations where, at the time of the proposed inclusion of the relevant exposure:
  - (a) the Obligor is in material breach of any obligation owed in respect of the relevant underlying exposure or under any Related Security, other than an obligation referred to in subparagraph (b), below;
  - (b) with respect to payment obligations:
    - (i) the Obligor is assessed to be unlikely to pay its credit obligations in full without realisation of collateral; or
    - (ii) any payment is more than 90 days in arrears; or
  - (c) the Obligor is in default under another financial obligation owing to the Protection Buyer.
- (x) No Retail Underlying Asset shall be included in a Risk Transfer Securitisations where, at the time of the proposed inclusion of the relevant exposure:
  - (a) The Obligor is in material breach of any obligation owed in respect of the relevant underlying exposure or under any Related Security, other than an obligation referred to in subparagraph (b) below;
  - (b) In respect to payment obligations, no Underlying Asset has more than one scheduled payment outstanding and unpaid OR is more than 30 days overdue.

This requirement does not apply to Credit Card Receivables (for which specific criteria exist in the relevant section).

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

For Risk Transfer Securitisations whose Underlying Assets are Dutch to be eligible for the PCS label, the Risk Transfer Securitisation Documentation must 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.

The Risk Transfer Securitisation Documentation discloses (or, for Existing Securities only, either the Risk Transfer Securitisation Documentation discloses or the Protection Buyer undertakes in the Protection Buyer Certificate that all subsequent Investor Reports will disclose) representations, warranties and undertakings given by the Protection Buyer in respect of the Underlying Assets on the following matters:

- (A) **Title and Ownership:** Where the Protection Buyer is a bank or insurance company, the Protection Buyer must account for the credit risk of the Underlying Assets in its regulatory balance sheet OR, where the Protection Buyer is not a bank or insurance company, the Protection Buyer or a member of its group has full right and legal title to the Underlying Assets and their Related Security, if applicable.
- (B) **Compliance with Eligibility Criteria Set Out in the Transaction Documents:** the Underlying Assets, Related Security and the Underlying Asset Agreement meet the eligibility criteria, representations and warranties.
- (C) **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).
- (D) **No Borrower Default:** Other than with respect to monthly payments and to the best of its knowledge, the Protection Buyer is not aware of any Obligors in material breach or default of any obligations under any Underlying Assets.

**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 Leases:** a lease for the use of a Vehicle (of which at least 80% should be underlying 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.

**Bankruptcy:** a situation where an Obligor, whether individual or corporate, is legally deemed to be bankrupt or insolvent under applicable laws.

**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.

**Call Rights:** the right by one party to terminate the protection provided by a Risk Transfer Securitisation either unilaterally for no cause or following an event that is not within the control of the other party.

**Closing Date:** the date on which the Risk Transfer Securitisation is executed.

**Collateral:** means collateral provided in a Risk Transfer Securitisation to secure the Protection Buyer's rights to receive protection payments from the investors.

**Consumer Loan:** a consumer loan advanced to an individual.

**Corporate Loan:** a loan, including an SME Loan, where the borrower is not a natural person AND (except for SME Loans) does not belong to any other Eligible Asset Class.

**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; (viii) Corporate Loans and (ix) 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 does not have direct or indirect aggregate ownership of 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 Risk Transfers:** Risk Transfer Securitisations already issued at the time a request is made to obtain a PCS label.

**Failure to pay:** a situation where an amount due from an Obligor has not been received. In respect of the 'failure to pay' loss trigger.

(a) a failure to pay may only occur when there has been an actual payment default by the Obligor; and

(b) the length of any grace period that applies before a failure to pay loss trigger event crystallises should be expressly stated or should be aligned to the contractual grace period which applies to each Underlying Asset.

**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 Protection Buyer has the benefit of each higher ranking mortgage and all the higher ranking mortgages are also Underlying Assets in the same securitisation.

**Geographical Criterion:** means the pool of Underlying Assets where, at the Specified Date, Obligors may come from any Global Region but the aggregate amount of Underlying Assets whose Obligors come from any given region, (other than Europe or other G7 countries, - which is unlimited.) is no greater than 45% of the total amount of Underlying Assets and the Risk Transfer Securitisation Documentation contains

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diversification provisions for replenishment designed to ensure [such](#) a continuing geographical diversity of the Obligors.

[For a pool to be treated as meeting the Geographical Criterion, the loans contained within the pool must be originated on the same origination capability and serviced on the same servicing capability.](#)

#### **Global Regions:**

- Europe (ie EEA plus Switzerland)
- North America
- Central and South America
- Africa
- Middle-East (including Turkey and Iran)
- Eurasia (Russia, CIS, Georgia and Mongolia)
- South Asia
- East Asia
- Australasia

**Investor Report:** a report setting out information on the performance of the Underlying Assets and the Risk Transfer.

**LGD:** loss given default for an Underlying Asset.

**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.

**Maximum Protection Amount:** in respect of a Risk Transfer, the maximum amount that investors may be required to pay to the Protection Buyer as a result of the occurrence of loss trigger events.

**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).

**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.

**Non-Retail Underlying Asset:** an Underlying Asset which is not a Retail Underlying Asset.

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

**Obligor Credit Criteria:** minimum criteria relating to the credit quality of an Obligor and based either on (i) a public rating by an external credit rating agency, (ii) an internal

credit rating by the Protection Buyer where the PD of that Obligor is ranked against other obligors or (iii) a PD and/or LGD estimate for that Obligor.

**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. For the purposes of a calculation in respect of granularity criteria, loans or leases to a group of connected clients, [as referred to in Article 4(1) point (39) of the CRR], should be considered as exposures to a single obligor.

**Originator:** 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.

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

**PD:** probability of default for an Underlying Asset.

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

**Protection Buyer:** the entity which has transferred credit risk relating to the Underlying Assets pursuant to a Risk Transfer Securitisation and to which any protection payments under the Risk Transfer Securitisation fall to be made (whether directly or through an SPE).

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

**Protection Buyer Group:** the Protection Buyer 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 arm's length from, the Protection Buyer.

**Public Risk Transfer Securitisation:** a Risk Transfer Securitisation placed publicly pursuant to the rules in the EU Prospectus Directive.

**Regulatory Impaired Value:** in respect of any Underlying Asset which is in default, the value agreed between the Protection Buyer and its regulatory authority as being the value of the impaired Underlying Asset in the bank's regulatory balance sheet (not taking into account the Risk Transfer).

**Related Security:** in relation to an Underlying Asset, any security for the repayment of that Underlying Asset.

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

**Residential Mortgage Loan:** 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.

**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.

**Restructuring:** a change to the terms of an Underlying Asset as a result of a negative credit event or a concern over the declining credit quality of an Obligor.

**Retail Underlying Asset:** an Underlying Asset which is a residential mortgage, an auto loan, a consumer loan, a credit card receivable or a lease.

**Risk Transfer 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 SPE or investors and which seeks a PCS Label.

**Risk Transfer Securitisation Documentation:** an agreement set out in a document or series of documents in relation to the transfer of risk between a Protection Buyer and investors willing to bear all or part of such risk, together with any marketing or associated documents setting out the basis or information relating to the transfer of risk.

**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.

**Servicer:** the entity which is servicing the Underlying Assets.

**SME:** either:

- (a) an enterprise that conforms to the definition in Annex I to the (EC) Regulation n° 800/2008, as amended from time to time; or
- (b) an enterprise conforming to the staff headcount criterion set out in Annex I to the (EC) Regulation n. 800/2008, as amended from time to time; or
- (c) an enterprise which, together with the enterprises it controls and the enterprise(s) (if any) which has/have direct or indirect control over it (as determined in accordance with Annex I to the (EC) Regulation n' 800/2008), has between 250 employees and less than 500 employees (on a full time equivalent basis); or
- (d) an enterprise that meets any additional definition of SME as published by the PCS Secretariat from time to time.

**SME Loan:** a loan made to an SME.

**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 Risk Transfer Securitisation relates to a Single-Issuance Pool, a date, specified in the Risk Transfer Securitisation Documentation, which (in respect of the Underlying Assets on which protection is acquired on the Closing Date) falls not more than three and a half calendar months prior to the Closing Date or (in respect of any Underlying Assets on which protection is acquired at a later date) falls not more than three and a half calendar months prior to such later date; or
- (b) where the Risk Transfers relate to a Multi-Issuance Pool, a date, which falls not more than three calendar months and two weeks prior to the date on which protection is acquired for the Multi-Issuance Pool of the Underlying Assets (and for the avoidance of doubt, there may be more than one such date in respect of any Multi-Issuance Pool);

(and for the avoidance of doubt, there may be more than one "Specified Date" in any Risk Transfer).

**SPE:** the special purpose vehicle (if any) which has issued the Risk Transfer Securitisation and which is entitled to receive protection payments but which is not the Protection Buyer.

**Transaction Currency:** means the currency in which the investors are required to make protection payments to the Protection Buyer.

**Underlying Asset Agreement:** the agreement governing an Underlying Asset.

**Underlying Assets:** the exposures for which credit protection is being provided by the Risk Transfer (including any hedges or guarantees attaching to the underlying exposure and forming part of the asset for which protection is acquired).

**Unlikely to Pay:** when the Protection Buyer has determined and recorded in its systems a view that the Obligor is unlikely to pay and – in the case of a bank or an insurance company – such a determination has been made in its regulatory records.

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

**Verification Agent:** an entity appointed by the Protection Buyer on or prior to the Closing Date to verify certain items prior to the investors becoming liable to make a protection payment.