

ARTICLES OF PRIME COLLATERALISED SECURITIES (PCS) EUROPE ASBL

Part I. Corporate name – Registered office – Social purpose – Duration

ARTICLE 1 - CORPORATE NAME OF THE ASSOCIATION

- 1.1 The corporate name of the association is Prime Collateralised Securities (PCS) Europe, or in abbreviated form PCS Europe.
- 1.2 This corporate name must always be followed by the words '*association sans but lucratif*' (= 'non-profit association') or the abbreviation '*ASBL*' in French or preceded by the words '*vereniging zonder winstoogmerk*' or the abbreviation '*VZW*' in Dutch.
- 1.3 The corporate name, the indication that it is a non-profit association, indicated in point 1.2, and the address of the association's registered office must be cited on all deeds, invoices, announcements, publications and other documents issued by the association.

ARTICLE 2 - REGISTERED OFFICE OF THE ASSOCIATION

- 2.1 The association is established at rue Royale 97, 1000 Bruxelles. The association falls within the district of Brussels. Any transfer of the association's registered office shall require a decision by the general meeting of members in accordance with the quorum and the majority required for a modification of the articles of association.
- 2.2 All the documents prescribed by the ASBL law shall be lodged in the file held at the clerk's office of the commercial court in the abovementioned district.

ARTICLE 3 - SOCIAL PURPOSE OF THE ASSOCIATION

- 3.1 The association, which is entirely non-profit-making, aims to promote the transparency, efficiency and integration of financial markets, particularly the market for "asset-backed securities" ("**ABS**") and to promote the ABS market as a strong and important financing tool for the real economy. To this end, the association will seek constructive engagement with the "simple, transparent and standardised" ("STS") regime introduced in European legislation to seek to make it a success for the financing of the economy. The association will

also create one or several quality labels, such as the Prime Collateralised Securities ("**PCS**") quality label in order to encourage best market practices in terms of quality, simplicity, standardization and liquidity of the ABS transactions. This quality label will establish eligible financial products as an attractive investment avenue for investors and reliable funding tool for issuers across Europe.

- 3.2 The association will monitor market dynamic that may influence the framework established for the PCS. In addition, the association may develop alone or in collaboration with others, directly or indirectly all activities that relate directly or indirectly to its purpose.
- 3.3 The association will also serve as a meeting and communication point for its members, offering a network for exchange of international knowledge and providing a framework that enables the dissemination of information on ABS.
- 3.4 The activities of the association may be directly or indirectly commercial and generate profits, provided that these commercial activities are still carried in a secondary and incidental way and within the limits of what is legally allowed. Any profits generated by these activities at any time will be fully allocated to the realization of the non-profit aim of the association.
- 3.5 The association may provide services and/or activities on behalf of its members and/or third parties.
- 3.6 To achieve what is set forth above, the association may purchase, rent and lease any properties rights, hire staff, enter into contract, make commitment, raise funds, or execute any activities that legitimize its purpose.

ARTICLE 4 - DURATION OF THE ASSOCIATION

The association is set up for an unlimited period.

Part II. Members and permanent observers

ARTICLE 5 - MEMBERS AND PERMANENT OBSERVERS

- 5.1 The association is made up of members and permanent observers.
- 5.2 The association has at least three members.
- 5.3 The rights of members to vote at the general meeting is determined by Article 17.
- 5.4 The rights and obligations of the permanent observers are laid down only by the present articles of association, inter alia, in Article 10. The statutory

provisions in that regard may be modified without the consultation or agreement of the permanent observers.

ARTICLE 6 - CONDITIONS FOR THE ADMISSION OF MEMBERS

- 6.1 Anyone who pursues the objectives of the association and who is accepted as such by the general meeting may join the association as a member. The general meeting shall decide at its own discretion on every application for admission. It does not need to give reasons for its permission or refusal.
- 6.2 Applications for admission must be directed exclusively in writing to the board, and must give the full name and address, and, in the case of a legal person, the corporate name, the legal firm and the address of the applicant's registered office, and indicate why the applicant believes it qualifies as a member. The board will thereafter transmit the application to the general meeting for its approval. The general meeting may decide at its entire discretion and without mentioning the reasons underlying a refusal.

ARTICLE 7 - MINIMUM AND MAXIMUM SUBSCRIPTION

Each member joining after 1 January 2019 has to pay a minimum subscription fee of EUR 5,000.

ARTICLE 8 - OBLIGATIONS UPON THE MEMBERS

The members of the association have the duty to respect the association's articles of association and internal regulations, as well as the decisions taken by its bodies.

ARTICLE 9 - RESIGNATION, EXCLUSION AND SUSPENSION OF A MEMBER

- 9.1 Any member may resign from the association subject to the sending of a registered letter to the board. The resignation shall take effect from the day following the receipt of the registered letter by the association. A resigning member must pay the subscription to the costs approved for the year during which he tenders his resignation.

A member failing to pay his subscription shall be deemed to have resigned automatically after a period of 8 weeks from when the subscription was due.

- 9.2 A member can be excluded only by the general meeting, and by a two-thirds majority of votes cast. Before deciding on an exclusion, the general meeting shall hear the member concerned. Grounds shall be given for every exclusion decision. The grounds shall be notified to the member concerned by registered letter.
- 9.3 Pending a decision on the exclusion of a member, the board may suspend the membership of a person who:
- (a) seriously breaches the obligations imposed on members in Article 8;

- (b) continues, despite a written warning, to fail to comply with his financial and / or administrative obligations vis-à-vis the association.

The suspension will be notified to the member concerned by registered letter. The duration of the suspension shall be a maximum of eight weeks, during which period the general meeting must meet to decide on the exclusion. The member concerned shall retain all his rights as a member at the said general meeting. If the general meeting decides not to proceed with exclusion, the member's suspension shall end automatically and be deemed never to have occurred.

- 9.4 The membership of a member shall be terminated automatically on the death of the natural person or, in the case of a legal person, following its dissolution, merger (other than a merger within a single existing corporate group), split or bankruptcy.
- 9.5 Members who are resigning or excluded and their successors shall have no part in the assets of the association and can never claim any repayment or compensation for subscriptions paid.

ARTICLE 10 - OBSERVERS

- 10.1 Observers may be invited to join meetings or activities of the association on a temporary or permanent basis.
- 10.2 Anyone who so wishes and who is accepted as such by the general meeting may join the association as a permanent observer. The general meeting shall decide at its own discretion on every application for admission. It does not need to give reasons for its permission or refusal.
- 10.3 Applications for admission as permanent observers must be directed exclusively in writing to the board, and must give the full name and address, and, in the case of a legal person, the corporate name, the legal firm and the address of the applicant's registered office. The board will thereafter transmit the application to the general meeting for its approval. The general meeting may decide at its entire discretion and without mentioning the reasons underlying a refusal.
- 10.4 Permanent observers shall be entitled to receive all communications distributed to members and attend and participate in all meetings open to members.
- 10.5 Permanent observers shall not be entitled to vote and the association may not suggest or indicate, without such permanent observer's consent, that the permanent observer approves or endorses any act or statement made by or on behalf of the association.
- 10.6 A permanent observer can be excluded only by the general meeting, and by a two-thirds majority of votes cast. Before deciding on an exclusion, the general meeting shall hear the permanent observer concerned. Grounds shall be

given for every exclusion decision. The grounds shall be notified to the permanent observer concerned by registered letter.

Part III. Board

ARTICLE 11 - COMPOSITION OF THE BOARD

- 11.1 The association shall be administered by a board composed of at least five directors which may or may not be members of the association. The number of directors must in any case always be lower than the number of members of the association.
- 11.2 The directors act as a college. They are appointed by the general meeting, and their directorships may be revoked by the latter at any time. They carry out their mandate free of charge, unless the general meeting decides otherwise.
- 11.3 The directors shall act in their personal capacity and shall not, when acting in their capacity as directors, represent any other organisation or take any instructions from any person or entity, including any entity with which they may be affiliated.
- 11.4 The directors shall keep any confidential information they receive in their capacity as directors confidential. For the avoidance of doubt, any information (i) that a director may already possess, (ii) which was or is already in the public domain at the time when the information was or is provided or disclosed to the director (iii) which comes into the public (iii) which has been obtained from sources independent of the association or (iv) which is disclosed by the director where such disclosure is required by law or any regulatory or competent authority, shall not be considered as “confidential information” for the purposes of this article

ARTICLE 12 - TERM OF OFFICE

- 12.1 Directors with a public service background are appointed for a term of 3 years. Directors with a private sector background are appointed for a term of 1 year. The general meeting shall determine in its sole discretion whether a director has a public service background or a private sector background and such determination shall be made at the time of the appointment of a director and recorded in the minutes of the general meeting taking this decision.
- 12.2 The directors are eligible for re-election. The directors may resign at any time. The resignation of a director shall take immediate effect except if this immediate effect would prejudice the association.

ARTICLE 13 - ELECTION AND ROLE OF THE CHAIR

- 13.1 The general meeting shall nominate a chair of the board of directors among the members of the board of directors who will act as chairman of the association. The chair is appointed for a term of 3 years.
- 13.2 The chair is eligible for re-election. The chair may resign at any time. The resignation of a chair shall take immediate effect except if this immediate effect would prejudice the association, in which case the resigning chair will continue to act as chair until the general meeting has appointed a new chair.
- 13.3 The chair will execute its mandate free of charge, except if the general meeting decides otherwise.

ARTICLE 14 - ORGANISATION OF THE BOARD

- 14.1 The board shall be presided by the chair. The board may select from among its members a vice-president, a secretary and a treasurer. The directors may divide the administrative tasks between themselves. Such division of tasks shall, however, not have effect against third parties, whether the division of the tasks has been published or not.
- 14.2 The chair or the secretary shall convene the board. Convocations shall be in writing (by letter, fax or by email). The convocation deadline shall be at least 8 (working) days, except in cases of urgency, which must be substantiated in the minutes of the board meeting in question. The convocation letter shall contain the agenda for the meeting and shall have attached to it, if possible, the documents which will enable the directors to participate in the meeting with full knowledge of the facts. The meeting may decide only on the items on the agenda, unless all the directors are present and agree that an item is added to the agenda.

The meeting shall be held at the association's registered office or at any other place indicated in the convocation.

The chair shall chair the meeting. In his absence, his place shall be taken by the oldest vice-president present, or, failing a vice-president, by the oldest director present.
- 14.3 The board may deliberate validly only if at least half of the directors are present or represented. If this quorum is not reached, another board meeting may be convened with the same agenda and may deliberate and make decisions validly if at least two directors are present or represented. Decisions are taken by a simple majority (= half of votes cast plus one, with abstentions not counting). In the event of a tie, the chair or the person standing in for him shall have the casting vote.
- 14.4 Every director may issue a written power of attorney to another director to represent him at the board meeting.

- 14.5 If any director determines in their own opinion that he or she has, in respect of a specific matter, a conflict of interest that would prevent him or her from acting independently, they shall inform the chair of the fact and shall excuse themselves from participating in any decision relating to such matter.
- 14.6 The board may meet by teleconference or videoconference.
- 14.7 If urgency and the interests of the association so require, the board's decisions may be taken by a unanimous written agreement of the directors. In that case, the chair and the secretary shall despatch a letter, a fax or an email to the directors, stating the following: (1) the fact that it is a proposed decision by the board; (2) that all the directors must approve the proposal for a valid decision to be taken; (3) that the proposed decision cannot be amended; (4) that all the members must return the signed proposed decision with the handwritten statement 'approved for decision by the board'; (5) the deadline within which the signed proposal must be returned to the association's registered office.

Written agreement may be notified by letter, email or fax.

- 14.8 A set of minutes of each meeting of the board shall be drawn up and signed by the chair and the secretary, and added to the register intended for the purpose which shall be held at the registered office. The extracts requiring to be presented and all the other deeds shall be validly signed by the secretary or a director.
- 14.8 The board shall meet at least four times in any calendar year.

ARTICLE 15 - REPRESENTATION OF THE ASSOCIATION

- 15.1 The board shall conduct the association's affairs and represent it in judicial and extrajudicial acts. It shall be competent for all matters save those which under the law are the express preserve of the general meeting.
- 15.2 The association shall be validly committed vis-à-vis third parties only by the collective signature of two directors. Directors intervening on behalf of the board do not need to justify themselves in respect of any decision or proxy vis-à-vis third parties.
- 15.3 The competence to represent the association in judicial and extrajudicial acts may be entrusted by the board, by a simple decision, to one or more persons, who may or may not be directors, who shall act jointly as appropriate. Such mandates may at any time be withdrawn with immediate effect by the board.
- 15.4 The board may appoint special proxies who may represent the association for special matters, on which the limits are set out. Such proxies shall commit the association within the limits of the mandate entrusted to them, and which shall have effect against third parties.

Part IV. General meeting

ARTICLE 16 - COMPOSITION OF THE GENERAL MEETING

- 16.1 The general meeting shall be made up of all the members and the permanent observers. The members, by a simple majority of the members present, shall have the right to appoint one or more additional observer as set out in Article 10.1, who may participate in the general meeting and may ask questions provided that the chair of the said general meeting so authorises him. The permanent observers and any additional observers shall have no right to vote.
- 16.2 The general meeting shall be chaired by the chair or by the oldest vice-president present or, failing these persons, by the oldest director present.
- 16.3 An member may be represented by another member or a third party.
- 16.4 Each member's voting rights (if any) at the general meeting shall be determined by the rules set out in Article 17.

ARTICLE 17 - VOTING RIGHTS AT A GENERAL MEETING

- 17.1 Each member shall have one vote.

ARTICLE 18 - COMPETENCES OF THE GENERAL MEETING

The general meeting shall have exclusive competence for:

- (a) modification of the articles of association;
- (b) the nomination and revocation of directors;
- (c) as the case may be, the nomination and revocation of the auditors and the determination of their remuneration where remuneration is paid;
- (d) the discharge given to the directors and auditors;
- (e) the approval of the budgets and accounts;
- (f) the voluntary dissolution of the association;
- (g) the exclusion of a member;
- (h) the conversion of the association into a company with a social purpose;
- (i) the determination of the annual subscription and its terms of payment; and
- (j) all cases where the present articles of association so require.

ARTICLE 19 - ORGANISATION OF THE GENERAL MEETING

- 19.1 The general meeting is convened by the board whenever the social purpose or interests of the association so require, and it must be convened whenever one fifth of the members so request. It must be convened at least once a year for the approval of the accounts of the previous year and the budgets for the coming year, at the place and on the date determined by the board, which falls for the first accounting period on 7 May 2013.
- 19.2 At least eight days before the general meeting, all the members and permanent observers are invited by letter, fax or email to the general meeting. The convocation to the general meeting may, as appropriate, be included in an information bulletin, a members' review or another publication by the association. The invitation shall be signed by the chair or the secretary. It shall state the date, time and venue for the general meeting.
- 19.3 The convocation shall contain the agenda, which is drawn up by the board. One twentieth of the members shall be entitled to ask the president to put extra items on the agenda. The general meeting may validly decide upon items not appearing on the agenda provided that all the members are present or represented and that at least half of them give their consent.
- 19.4 If the chair so determines, he may convene a special general meeting by inviting by letter, fax or email all the members and permanent observers. Such invitation must contain an explanation of the circumstances that requires the convening of the general meeting. Such general meeting shall only be validly constituted if at least 90% of members attend or send a written notification to the board that, although they will not attend, they have no objections to such special general meeting taking place.

ARTICLE 20 - MAJORITIES AND ATTENDANCE QUORUM

- 20.1 Save for the matters listed under point 2, decisions are taken by a simple majority of the votes cast in accordance with Article 17 by members present and represented.
- 20.2 In the case of the exclusion of an member, modification of the articles of association or dissolution of the association, the procedure laid down by the law shall be complied with.
- 20.3 The deliberations of the general meeting relating to amendments of the articles of association, the dissolution of the association, or the transformation of the association may only validly take place if at least two-thirds of the members are present or represented.
- 20.4 A quorum for the purposes of a general meeting other than one relating to items listed in Article 20.3 shall be one third of members by number and one third of the total votes capable of being cast in accordance with Article 17.

20.5 If the attendance quorum is not reached at the general meeting, a second general meeting of members shall be convened and may validly deliberate and decide irrespective of the number of members present or represented. The second general meeting must be held at least fifteen days after the first general meeting. The majority of votes required by the law or by the present articles of association shall remain fully applicable.

ARTICLE 21 - MINUTES

Minutes of each meeting shall be kept and signed by the secretary or a director. These minutes shall be recorded in a special register. Their extracts shall be signed 'certified true copy' by the secretary or a director.

Part V. Right of consultation of the members

ARTICLE 22 - RIGHT OF CONSULTATION OF THE MEMBERS

Except where the association has one or more auditors, all the members may consult the register of members at the association's registered office, along with all the minutes and all the decisions by the general meeting, the board and the persons – whether directors or not – who hold an office within the association or on its behalf, as well as all the association's accounting documents.

ARTICLE 23 - INTERNAL REGULATIONS

The general meeting shall decide upon the internal regulations, as the case may be proposed by the board. Modifications to the internal regulations may be drawn up by the board but must be submitted to the general meeting for approval. Under these internal regulations, all measures, provided that they do not run counter to the binding prescriptions of the law or the articles of association, may be taken with regard to the application of the articles of association and the management of the social affairs in general, and everything considered to be in the interests of the association may be imposed upon the members or their successors.

Part VI. Budgets – Accounts – Auditing

ARTICLE 24 - ANNUAL ACCOUNTS - BUDGET

24.1 The association's accounting period shall run from 1 January to 31 December.

24.2 The board shall prepare the annual accounts and the current year budget and submit them to the general meeting for approval. After approval of the annual accounts and the budget, the general meeting shall rule by a separate vote on the discharge to be given to the directors and, as appropriate, the auditor(s).

ARTICLE 25 - AUDITOR(S)

If the association is so required on the basis of the conditions applicable to it or pursuant to a decision of the general meeting, the auditing of its financial situation, the annual accounts and the compliance from the point of view of the ASBL law to be indicated in the annual accounts shall be entrusted to one or more auditors appointed by the general meeting from among the members of the "Institut des réviseurs d'entreprises". The general meeting shall determine the number of auditors and set their remuneration. The auditors shall be appointed for a renewable term of three years.

ARTICLE 26 – MARKET COMMITTEE

To assist the board in managing the quality labels and provide feedback to the board, reflecting the views of differing stakeholders, on the operation of the STS securitisation market in Europe the board may set up, a market committee shall be set up. This market committee shall operate independently from the board. The market committee shall be composed of twelve members – or such other number as may be determined by the general meeting. Members of the market committee need not to be members of the board or members of the association. Members of the market committee shall be proposed by the members of the association at a general meeting and approved by the board. If the board shall not approve any market committee member suggested by the general meeting, the members of the association shall reconvene in a general meeting within four weeks of such refusal and nominate an alternative member which shall only become a member of the market committee if approved by the board. This process will continue until a member acceptable to the board is nominated.

Part VII. Dissolution – Liquidation

ARTICLE 27 - DISSOLUTION OF THE ASSOCIATION

27.1 Except in the case of judicial dissolution and automatic dissolution, the general meeting may only decide on a dissolution as determined in the ASBL law. The proposal for the dissolution of the association shall be expressly cited in the convocation sent to the members.

27.2 In the case of voluntary dissolution, the general meeting, or failing that, the court, shall appoint one or more liquidators. It shall likewise define their competence and the liquidation conditions.

ARTICLE 28 - ALLOCATION OF THE LIQUIDATION BALANCE

In the case of dissolution, the assets, after settlement of the debts, shall be transferred to an association pursuing a similar aims which will be chosen by decision of the general assembly. If this association is in liquidation at the time of the allocation of the liquidation balance, or if it has already been liquidated, the liquidation balance shall be allocated to an association pursuing a similar aim.

ARTICLE 29 - ASBL LAW

The ASBL law or the legislation replacing the said law after the foundation of the association shall apply to all matters not governed expressly in these articles of association, as well as the general legal provisions and the internal regulations.