STS Term Verification Checklist

KOROMO ITALY S.R.L.

PRIME COLLATERALISED SECURITIES (PCS) EU SAS

28 February 2023

Analyst: Daniele Vella – Contact: ✉ daniele.vella@pcsmarket.org / ☎ +33 6 15 37 86 95

This is the STS Term Verification Checklist for STS Term Verifications.

This STS Term Verification Checklist must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the materials received by PCS as at the date of this document. Any references in this document are to the Prospectus unless otherwise stated.

PCS comments in this STS Term Verification Checklist are based on PCS' interpretation of the STS Regulation informed by (a) the text of the STS Regulation itself, (b) the EBA guidelines and recommendations issued in accordance with Article 19(2) of the STS Regulation (the "**EBA Guidelines**") and (c) any relevant national competent authorities' interpretation of the STS criteria to the extent known to PCS.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

28 February 2023

STS Disclaimer

Neither an STS Verification, nor a CRR Assessment, nor an LCR Assessment is a recommendation to buy, sell or hold securities. None are investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and none are a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC).

PCS EU and PCS UK are authorised respectively by the French *Autorité des Marchés Financiers* and by the United Kingdom Financial Conduct Authority as third parties verifying STS compliance pursuant to article 28 of Regulation (EU) 2017/2402 (the "**STS Regulation**").

Currently, none of the activities involved in providing an CRR Assessment are endorsed or regulated by any regulatory and/or supervisory authority nor are the PCS Association or PCS EU regulated by any regulator and/or supervisory authority including the Belgian Financial Services and Markets Authority, the United Kingdom Financial Conduct Authority, the French *Autorité des Marchés Financiers* or the European Securities and Markets Authority.

By assessing the CRR status of any securities or financing, neither the PCS Association nor PCS UK nor PCS EU express any views about the creditworthiness of these securities or financings or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities or financings.

Equally, by completing (either positively or negatively) any CRR status assessment of certain instruments, no statement of any kind is made as to the value or price of these instruments or the appropriateness of the interest rate they carry (if any).

In the provision of any CRR Assessment, PCS has based its decision on information provided directly and indirectly by the originator or sponsor of the relevant securitisation. Specifically, it has relied on statements made in the relevant prospectus or deal sheet, documentation and/or in certificates provided by, or on behalf of, the originator or sponsor in accordance with PCS' published procedures for the relevant PCS verification or assessment. You should make yourself familiar with these procedures to understand fully how any PCS service is completed. These can be found at https://pcsmarket.org/ (the "**PCS Website**"). Neither the PCS Association nor PCS UK nor PCS EU undertake their own direct verification of the underlying facts stated in the prospectus, deal sheet, documentation or certificates for the relevant instruments and the completion of any CRR Assessment is not a confirmation or implication that the information provided to it by or on behalf of the originator or sponsor is accurate or complete.

The PCS entities take reasonable measures to ensure the quality and accuracy of the information on www.pcsmarket.org. However, neither the PCS Association nor PCS UK nor PCS EU can be held liable in any way for the inaccuracy or incompleteness of any information that is available on or through the PCS Website. In addition, neither the PCS Association nor PCS UK nor PCS EU can in any way be held liable or responsible for the content of any website linked to the PCS Website.

To understand the meaning and limitations of any CRR Assessment you must read the General Disclaimer that appears on the PCS Website.

When entering any of the "Transaction" sections of the PCS Website, you will be asked to declare that you are allowed to do so under the legislation of your country. The circulation and distribution of information regarding securitisation instruments (including securities) that is available on the PCS Website may be restricted in certain jurisdictions. Persons receiving any information or documents with respect to or in connection with instruments (including securities) available on the PCS Website are required to inform themselves of and to observe all applicable restrictions.

PRIME COLLATERALISED SECURITIES (PCS) – STS Verification

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	28 February 2023
The transaction to be verified (the "Transaction")	**Koromo Italy S.r.l.**

Issuer	Koromo Italy S.r.l.
Originator	Toyota Financial Services Italia S.p.A. ("**TFSI**")
Arranger and Lead Manager	Citigroup Global Markets Limited
Transaction Legal Counsel	Chiomenti - Allen & Overy
Rating Agencies	Fitch and Moody's
Stock Exchange	ExtraMOT PRO
Closing Date	28 February 2023

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

A summary of the checklist points by article is set out in the table of contents on the next page together with a reference to the respective article contents. To examine a specific article from the list below, please click on the article description to be taken directly to the relevant section of the checklist.

Within the checklist, the relevant legislative text is set out in blue introductory boxes with specific criteria for our verification listed underneath.

Article	Summary of Article Contents	PCS Verified	
Article 20 – Simplicity			
20(1)	True sale	**1**	✓
20(2-4)	Severe clawback	**2**	✓
20(4)	True sale with intermediate steps	**3**	✓
20(5)	Assignment perfection	**4**	✓
20(6)	Encumbrances to enforceability of true sale	**5**	✓
20(7)	Eligibility criteria, active portfolio management, and exposure transferred after closing	**6 - 8**	✓
20(8)	Homogeneity, enforceability, full recourse, periodic payment streams, no transferable securities	**9 - 14**	✓
20(9)	No securitisation positions	**15**	✓
20(10)	Origination, underwriting standards, unverified residential loans, assessment of creditworthiness, originator expertise	**16 - 21**	✓
20(11)	No undue delay after selection, no exposures in default or to credit-impaired or insolvent debtors/guarantors, portion of restructured debtors, adverse credit history, higher pool risk	**22 - 30**	✓
20(12)	At least one payment made	**31**	✓
20(13)	No predominant dependence on the sale of asset	**32**	✓
Article 21 – Standardisation			
21(1)	Risk retention	**33**	✓
21(2)	Appropriate mitigation of interest-rate and currency risks and disclosure, no further derivatives and hedging derivatives according to common standards	**34 - 39**	✓
21(3)	Referenced interest payments	**40**	✓
21(4)	Requirements in the event of enforcement or delivery of acceleration notice: no cash trap, sequential amortisation, no reversal, no automatic liquidation	**41 - 44**	✓
21(5)	Non-sequential priority of payments	**45**	✓
21(6)	Early amortisation provisions/triggers for termination of revolving period	**46 - 49**	✓
21(7)	Duties, responsibilities, and replacement of transaction parties	**50 - 52**	✓
21(8)	Expertise of the servicer	**53 - 54**	✓
21(9)	Remedies and actions by servicer related to delinquency and default of debtor, priorities of payments, triggers for changes, obligation to report	**55 - 59**	✓
21(10)	Resolution of investor conflicts and fiduciary party responsibilities and duties	**60 - 61**	✓
Articles 22 and 7 – Transparency			
22(1)	Historical asset data	**62 - 64**	✓
22(2)	AUP/asset verification	**65 - 66**	✓
22(3)	Liability cashflow model	**67 - 68**	✓
22(4)	Environmental performance of asset	**69**	✓
22(5)	Responsibility for article 7, information disclosure before pricing and 15 days after closing	**70 - 73**	✓
7(1)	Transparency requirements: underlying loan data, documentation, priority of payments, transaction summary, STS notification, investor report, inside information, significant event report, simultaneous, without delay	**74 - 83**	✓
7(2)	Transparency requirements: securitisation repository, designation of responsible entity	**84 - 85**	✓

Article 20.1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.

1	**STS Criteria** 1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.	**Verified?** **YES**

PCS Comments

In this transaction, the rights, title and interests to the assets are assigned and transferred without recourse (*pro soluto*) by an Italian authorised financial intermediary to an Italian SSPE.

See Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 1. THE RECEIVABLES PURCHASE AGREEMENT"

<<On 20 February 2023, the Originator and the Issuer entered into the Receivables Purchase Agreement, pursuant to which the Originator has assigned and transferred to the Issuer, without recourse (pro soluto), all of its rights, title and interest in and to the Portfolio (except for accrued or accruing claims for the reimbursement of expenses incurred for the collection of the Instalments). (…)>>.

PCS has been provided with and has reviewed a draft of the Italian law legal opinion provided by the transaction counsel. Confirmation of true sale i.e. enforceability of assignment, an assessment of the re-characterisation and claw-back risks are made in the Legal Opinion.

"True sale", at its origin, was not a legal concept but a rating agency creation.

The essence of a "true sale" is that the property in the securitised assets has legally moved from the originator(s)/seller to the SSPE in such a way that the SSPE's ownership will be recognised as a matter of law, including and especially in the case of the insolvency of the originator(s)/seller. In a "true sale" the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy the claims of the originator/seller's creditor out of the proceeds of the securitised assets. Following a "true sale" there is no legal device by which the assets can automatically revert to the originator/seller's ownership. Such automatic reversion is associated with security interests and anathema to a "true sale".

This is clearly stated in the wording of the Regulation (20.1). The expression "transfer to the same effect" indicates that, as long as the conditions in the preceding paragraph are met, the Regulation does not seek to limit the type of legal devices which can be used to effect such transfer of title.

The issue of "true sale" is separate from the issue of "clawback". "Clawback" refers to legal processes through which, in the insolvency of the seller of an asset, an insolvency officer is entitled to reverse the sale – even in cases where a "true sale" has taken place.

All European jurisdictions, to PCS' knowledge, have rules allowing for clawbacks. Clawbacks are usually rules to avoid a company heading towards insolvency from "defrauding" its existing creditors either by selling assets at very low prices (to friends and relations) or unfairly preferring certain creditors over others.

The Regulation (20.1) therefore does not require STS "true sales" to be clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to "severe clawback". The Regulation does not define "severe clawback" but gives an example (20.2) where a clawback may occur. The Regulation (20.3) also explicitly excludes from the definition of "severe clawback" the traditional European basis for such devices which all come under the general category of "preferences".

Since "severe clawback" is a jurisdictional concept, in analysing this issue PCS will therefore first seek to determine the Originator's jurisdiction for the purposes of insolvency law. This would be its centre of main interest or "COMI".

The second step would be to determine whether the relevant COMI contains severe claw back provisions in its insolvency legislation. Although the determination of a COMI can be a technically fraught analysis of international conflicts of law, PCS notes that in the vast majority of securitisations there is no real issue as the COMI is self-evident.

PCS further notes that the examples (20.2 and 20.3) refer to the insolvency law of a jurisdiction and therefore believes that clawback risk is to be assessed on a jurisdictional basis rather than on a transactional basis. Finally, PCS does not believe and nor is there any evidence that the legislators or regulatory authorities are seeking to craft a higher standard than that which has been used for decades by the market and was the basis for the legislative text.

Based on the above considerations, PCS believes that transfers from a jurisdiction meeting the following criteria – absent any other indications – shall not fall within the definition of "severe clawback":

- Clawback requires an unfair preference "defrauding" creditors;
- Clawback puts the burden of proof on the insolvency officer or creditors – in other words it cannot be automatic nor require the purchaser to prove their innocence.

Since "severe clawback" is a jurisdictional concept, in analysing this issue PCS will therefore first seek to determine the Originator's jurisdiction for the purposes of insolvency law. This would be its centre of main interest ("**COMI**") or its "home member state".

The second step would be to determine whether the relevant COMI and/or "home member state" contains severe claw back provisions in its insolvency legislation.

Although the determination of a COMI can be a technically fraught analysis of international conflicts of law, PCS notes that in the vast majority of securitisations there is no real issue as the COMI is self-evident.

The Originator is incorporated in Italy and it is authorised as a financial intermediary to operate in Italy, as confirmed through a search with the Bank of Italy's website that PCS has separately made.

In the Prospectus it is also stated that

<<*As at the date of this Prospectus, 100 per cent. of the share capital of TFSI is owned by TFSUK.*>> (see "THE ORIGINATOR AND THE SUB-SERVICER"), and

<<*Insolvency laws applicable to the Originator*

The Originator is a joint stock company (società per azioni) enrolled in the register of financial intermediaries ("Albo Unico") held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act and its "centre of main interests" (as that term is used in article 3(1) of the EU Insolvency Regulation) is located within the territory of the Republic of Italy, pursuant to articles 20(2) and 20(3) of the EU Securitisation Regulation.

In addition, although as at the date of this Prospectus 100 per cent. of the share capital of TFSI is owned by Toyota Financial Services UK Plc, in case of insolvency of Toyota Financial Services UK Plc the UK laws would not per se apply to a possible claw back action aimed at the recovery of TFSI's assets on the basis that TFSI would be subject to insolvency proceedings only to the extent that it is found to be insolvent.>>.

Therefore, its COMI and its home member state are the Republic of Italy, which does not contemplate severe clawback provisions for securitisation transactions. In an insolvency procedure involving TFSI or its parent company, it may not be excluded that UK insolvency laws become applicable. In any case, should UK laws be deemed applicable to an insolvency procedure affecting TFSI, PCS believes that such UK laws would not apply to a possible claw back action aimed at the recovery of TFSI's assets.

Italian insolvency laws provide for clawback in relation to acts made in the suspect period, provided that also other circumstances occur, such as undue preference or transactions at an undervalue, and may require the insolvency officer to prove that case. Therefore, and as generally outlined in the Italian legal opinion and more specifically in the Prospectus, section "RISK FACTORS IN RELATION TO THE PORTFOLIO - Claw back of the sales of the Receivables", the transfer of the Receivables is not, in our view, subject to "severe clawback".

See also "SELECTED ASPECTS OF ITALIAN LAW – The Assignment":

<<Assignments executed under the Securitisation Law may be clawed back under article 166 of the Insolvency Code but only in the event that the relevant party was insolvent when the assignment was entered into and the petition for admission to judicial liquidation (liquidazione giudiziale) of the relevant party is filed within three months or, in cases where paragraph 1 of article 166 applies (e.g., if the adjudication of judicial liquidation of the relevant originator is made within 6 months from the purchase of the relevant portfolio of receivables, provided that the value of the receivables exceeds the sale price of the receivables for more than 25 per cent. and the issuer is not able to demonstrate that it was not aware of the insolvency of such originator), within six months of the securitisation transaction (under the Securitisation Law the 1 year and 6 months suspect periods provided by article 166 of the Insolvency Code are reduced to 6 months and 3 months respectively).>>

See also "SELECTED ASPECTS OF ITALIAN LAW – No severe claw-back":

<<The Italian insolvency laws do not contain severe clawback provisions within the meaning of articles 20(2) and 20(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>

Article 20.1 (…) The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.

Article 20.2 For the purpose of paragraph 1, any of the following shall constitute severe clawback provisions:

(a) provisions which allow the liquidator of the seller to invalidate the sale of the underlying exposures solely on the basis that it was concluded within a certain period before the declaration of the seller's insolvency;

(b) provisions where the SSPE can only prevent the invalidation referred to in point (a) if it can prove that it was not aware of the insolvency of the seller at the time of sale.

Article 20.3. For the purpose of paragraph 1, clawback provisions in national insolvency laws that allow the liquidator or a court to invalidate the sale of underlying exposures in case of fraudulent transfers, unfair prejudice to creditors or of transfers intended to improperly favour particular creditors over others, shall not constitute severe clawback provisions.

2	**STS Criteria** 2. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.	**Verified?** **YES**

PCS Comments

COMI and home member state of the Originator is Italy (see point 1 above).

Clawback of the sales of the Receivables does not constitute severe clawback risks because in all cases of claw back, in addition to the "suspect period", Italian law provides that other circumstances have to be met to allow claw back. These are, as the case may be, the purchase at undervalue and the awareness of the insolvency of the seller. This is confirmed in the Legal Opinion.

Article 20.4. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.

3	**STS Criteria** 3. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.	**Verified?** **YES**
	PCS Comments This requirement does not affect this transaction since the Receivables have been exclusively originated by TFSI as lender. See the following Eligibility Criterion in "THE PORTFOLIO – The Eligibility Criteria": *<<(d) loans granted by TFSI and arising from loan agreements executed exclusively by TFSI;>>.*	

Article 20.5. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:
(a) severe deterioration in the seller credit quality standing;
(b) insolvency of the seller; and
(c) unremedied breaches of contractual obligations by the seller, including the seller's default.

4	**STS Criteria** 4. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events: (a) severe deterioration in the seller credit quality standing; (b) insolvency of the seller; and (c) unremedied breaches of contractual obligations by the seller, including the seller's default.	**Verified?** **YES**
	PCS Comments Article 20.5 does not affect this transaction, because the transfer is perfected. Criterion 4 requires two steps: - To determine whether the transfer of the assets is by means of an unperfected assignment; and - If it is, whether the transaction contains the requisite triggers. See "SELECTED ASPECTS OF ITALIAN LAW – The Assignment" where it is stated that:	

	<<According to article 4, second paragraph, of the Securitisation Law, as from the date of the publication of the notice in the Official Gazette or the date certain at law of payment (in whole or in part) of the purchase price for the assigned receivables: (…) *3) the assignment becomes enforceable against:* *(a) any other assignee of the originator who has failed to render its purchase of receivables enforceable against any third party prior to such date;* *(b) any creditors of the originator who have not obtained, prior to the date of the publication of the notice in the Official Gazette, an attachment order (pignoramento) in respect of any of the receivables and then only to the extent of the receivables already attached.>>.* See also Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 1. THE RECEIVABLES PURCHASE AGREEMENT – Transfer of the Portfolio" confirming compliance with the above requirements under the Italian Securitisation Law and the Factoring Law. PCS has reached sufficient comfort that pursuant to Italian law, a direct individual notification to the obligors of the assignment of the Receivables to the Issuer is not necessary in order to perfect the transfer of the legal title to such Receivables from the Originator to the Issuer. Although the transfer is not notified to the borrowers, the Italian legal opinion and Prospectus confirm that such notification is not required to fully perfect the transfer of ownership in the Receivables to the SSPE. In particular, although an individual notification to each Borrower is required to comply with Italian regulatory requirements and (where necessary) to obtain enforceability *vis-à-vis* each single Borrower, the failure to provide it would not affect the validity and effectiveness between the Originator and the Issuer of the transfers of any Receivable under the Receivables Purchase Agreement, nor their enforceability against any third party. Accordingly, this transaction does not operate by way of an unperfected assignment and no specific triggers are required.

Article 20.6. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.

5	**STS Criteria** 5. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.	**Verified?** **YES**
	PCS Comments See the R&W in §(i) of Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT - Representation and warranties relating to the Receivables": *<<(i) (Ownership of Receivables) Each Receivable is fully and unconditionally in the ownership and availability of the Originator and is not subject to any attachment or seizure, nor to any other encumbrance in favour of third parties, and is freely transferable to the Issuer. The Originator has the exclusive and free ownership of all the aforementioned Receivables and the relevant Loans and has not transferred, assigned or in any way sold to anyone other than the Issuer under the Securitisation (neither in full nor by way of security) any of such Receivables or Loans, nor it has created or permitted others to create or establish any security, pledge, encumbrance or other right, claim or any third parties' right over one or more of such Receivables or Loans in favour of subjects other than the Issuer under the Securitisation. Neither the Loan Agreements nor any other agreement, deed or document relating thereto contain clauses or provisions pursuant to which the owner of the relevant Receivables is prevented from transferring, assigning them or otherwise dispose of such Receivables, even if only in part.>>.*	

	See also the R&W in §(i) of Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT – Other representation and warranties": *<<(i) (No encumbrance) As at the Effective Date and as at the Transfer Date, the Receivables are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale of the Receivables to the Issuer pursuant to article 20(6) of the EU Securitisation Regulation.>>.*

Article 20.7. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.

6	**STS Criteria** 6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria….	**Verified?** **YES**
	PCS Comments The TERMS AND CONDITIONS OF THE NOTES define "Eligibility Criteria" as: *<<"**Eligibility Criteria**" means the eligibility criteria of the Receivables included in the Portfolio listed in schedule A of the Receivables Purchase Agreement.>>.* In Section "THE PORTFOLIOS – The Eligibility Criteria" it is stated that *<<The Receivables comprised in the Portfolio assigned by the Originator to the Issuer arise out of Loans which, at the Effective Date and/or at the different date indicated in the relevant criteria, met the following criteria (the "**Eligibility Criteria**"): (…)>>.* *The EBA Guidelines clarify that "clear" does not mean easily readable or comprehended by a non-expert. In the Regulation a criterion is "clear" when a court or tribunal could determine whether, presumably in all cases, the criterion is met for each asset. In the Regulation, "clear" is about certainty of determination.* *PCS has read the eligibility criteria in the Prospectus. As they are mandatory, they meet the "predetermined" requirement. As they are in the Prospectus, they meet the "documented" requirement. PCS has also concluded that they allow determination in each case and so meet the "clear" requirement.*	
7	**STS Criteria** 7. Which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management.	**Verified?** **YES**
	PCS Comments See the following statement in Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 6. THE INTERCREDITOR AGREEMENT – No active portfolio management": *<<Under the Intercreditor Agreement, the parties thereto have acknowledged that the disposal of Receivables is permitted only in the following circumstances: (i) from the Issuer to the Originator, in case of repurchase or retrocession of individual Receivables pursuant to the terms of the Receivables Purchase Agreement; (ii) from the Issuer to the Originator, in case of repurchase of the Portfolio pursuant to the terms of the Receivables Purchase Agreement, following the Clean Up Option Date; (iii) from the Issuer to the Originator, in case of any breach of representations and warranties by the Originator pursuant to the terms of the Warranty and Indemnity Agreement; (iv) from the Sub-Servicer (in the name and on behalf of the Issuer) to third parties and with reference to Defaulted Receivables only, pursuant to the terms of the Servicing Agreement; (v) from the Issuer (or, following the service of a Trigger Notice, the*	

	Representative of the Noteholders on its behalf) to third parties (including the Originator), in case of disposal of the Portfolio following the delivery of a Trigger Notice in accordance with Condition 12.2 (Delivery of a Trigger Notice) or upon exercise by the Issuer of the optional redemption in accordance with Condition 8.3 (Optional Redemption) or of the optional redemption in whole for taxation reasons in accordance with Condition 8.4 (Optional Redemption for taxation reasons) pursuant to the terms of the Conditions and the Intercreditor Agreement. Therefore, no active portfolio management within the meaning of article 20(7) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria is allowed.>>. See also the statement in Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 1. THE RECEIVABLES PURCHASE AGREEMENT - Repurchase options of the Originator", where both the clean-up option and the option for the repurchase of individual Receivables is described in detail, and where it is also specified that: *<<(…) It is understood that the repurchase of the Receivables pursuant to the Receivables Purchase Agreement shall be made (i) with respect to Defaulted Receivables, in order to facilitate the recovery and liquidation process of such Defaulted Receivables, (ii) with respect to Receivables other than Defaulted Receivables, only for extraordinary circumstances and without causing any prejudice to the Noteholders, and (iii) in any case in accordance with prevailing market conditions, within the limits provided under the Receivables Purchase Agreement and not for speculative purposes aimed at improving the performance of the Securitisation to article 20(7) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.* *The EBA Guidelines set out seven devices to repurchase securitised assets which are not to be considered indicative of "active portfolio management". To the extent that a transaction only contains some or all of those seven devices and does not provide any other form of repurchase, then the STS criterion will be met. If the transaction should contain a repurchase device that is not included in the EBA's list, then an analysis will need to be conducted as to whether this additional device offends against the principles set out in the EBA Guidelines (15.a and b) as defining "active portfolio management".* *PCS has reviewed the repurchase devices set out in the Prospectus and each is one of the seven allowable repurchase devices.*
8	**STS Criteria** 8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.
	Verified? **YES**
	PCS Comments *This criterion is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement. This is the case:* The transaction is not revolving and the Eligibility Criteria apply to the Portfolio, as at the Valuation Date. This requirement is therefore to be deemed satisfied. See also point 6 above.

Article 20.8. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors.	
9	**STS Criteria** 9. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type.
	Verified? **YES**

PCS Comments

See the R&W in §(vii) of Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT – Other representation and warranties" (and the Italian language version contained in §(g) of Schedule 1, Section 4 of the Warranty and Indemnity Agreement):

<<(vii) (Homogeneity) As at the Effective Date and as at the Transfer Date, the Receivables are homogeneous in terms of asset type taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, in accordance with article 20(8) of the EU Securitisation Regulation, given that:

(a) the Receivables are originated by the Originator, as lender, in compliance with similar underwriting standards based on similar approaches to the assessment of credit risk associated with the Receivables;

(b) all Receivables are serviced by TFSI according to similar servicing procedures;

(c) the Receivables (1) arise from Loans falling within the asset category entitled of "auto loans and leases" provided under article 1, paragraph (v) of the Regulatory Technical Standards regarding the homogeneity of the underlying exposures and (2) all Receivables reflect at least the homogeneity factor of the "type of obligors", being all Debtors individuals persons as provided under article 2, paragraph 4, letter (a) of the Regulatory Technical Standards regarding the homogeneity of the underlying exposures.>>.

The definition of "homogeneity" in the Regulation is the subject of a Regulatory Technical Standard ("**RTS**"). Being set out in an RTS, rather than a guideline or recommendation issued by the EBA, the definition of "homogeneity" is legally binding on all regulatory authorities.

In interpreting the expression, PCS has based itself on the text of the Regulation, its knowledge of the intent of the legislators – including, crucially, the legislators' belief that the STS Regulation was justified by the excellent performance of most "plain vanilla" European securitisations and the RTS adopted by the European Commission.

Based on the above, it seems clear to PCS that the Regulation would not seek to exclude from the STS category securitisations that have performed extremely well and are universally considered "homogenous" by market participants. This does not exonerate any transaction from being analysed against this criterion but does set the background for such analysis.

In the Transaction, the loans were underwritten on a similar basis, they are being serviced by TFSI (as sub-servicer) according to similar servicing procedures, they are a single asset class – auto loans – and, based on the EBA's suggested approach, the loans are all complying with the homogeneity factor of the "type of obligors", since all Debtors are individuals persons (see §1 of eligibility criteria).

PCS also takes great comfort from the fact that transactions containing pools with similar characteristics have always been considered to be "homogenous" by a wide consensus of market participants.

10	**STS Criteria** 10. The underlying exposures shall contain obligations that are contractually binding and enforceable.	**Verified?** **YES**

PCS Comments

See the R&W in §(viii) of Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT – Other representation and warranties":

<<(viii) (Binding and enforceable obligations) The Receivables contain obligations that are contractually binding and enforceable, with full recourse to the Debtors, pursuant to article 20(8) of the EU Securitisation Regulation.>>.

11	**STS Criteria** 11. With full recourse to debtors and, where applicable, guarantors.	**Verified?** **YES**
	PCS Comments See the R&W quoted in comments to point 10 above, and particularly the reference to <<*full recourse to the Debtors*>>. See also the definition of Debtor: *<<"**Debtor**" means any natural person or any other subject who is an obligor or co-obligor for the payment or repayment of amounts due in respect of a Receivable.>>.*	

Article 20.8. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts, relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.

12	**STS Criteria** 12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.	**Verified?** **YES**
	PCS Comments See the R&W in §(ix) of Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT – Other representation and warranties": *<<(ix) (Constant Instalments) The Loans provide for repayment through constant instalments (except the final instalment for loans providing for a "balloon" instalment) payable monthly, as determined in the relevant Loan Agreement, in accordance with article 20(8), second paragraph, of the EU Securitisation Regulation.>>.* See items §(g), (h), (l) and (r) of Section "THE PORTFOLIO – The Eligibility Criteria", requiring that the Receivables arise from: *<<(g) loans providing for fixed interest rate;>>*; *<<(h) loans whose principal and interest are payable by the relevant borrower in monthly instalments;>>*; *<<(l) loans whose amortising plan provides for the repayment in monthly instalments in accordance with the amortisation plan provided for in the relevant loan agreement and which have been granted for the purchase in Italy from an authorised dealer (concessionario autorizzato) or a branch of TFSI of a new car branded Toyota or Lexus which may also provide for supplemental services and/or insurance services related to the relevant loan;>>*; and *<<(r) loans whose amortisation plan is a French amortisation plan (piano di ammortamento alla francese) having instalments consisting of an interest component which decreases over the life of the loan and a principal component which increases over the life of the loan;>>.* See also the definition of "Instalment": *<<"**Instalment**" means, in respect of each Loan Agreement, each monetary amount due periodically by the relevant Borrower pursuant to the relevant Loan Agreement, including a Principal Instalment and an Interest Instalment.>>.* It is noted that the Receivables comprise balloon instalments ("*maxi-rata finale*").	

	*<<"**Balloon Instalment**" means, with respect to each Loan Agreement, the payment due by the relevant Borrower at the end of the amortisation plan of the relevant Loan pursuant to the relevant Loan Agreement, of an amount higher than the other Instalments.>>.* It is also noted that Borrowers may have the following options, which may result into changes to the cash flows: *<<"**Instalment Amount Change Option**" means the option that allows the Borrower to change the amount of the Instalments set forth in the amortisation plan provided that, as of the date such option is exercised, there are no Instalments past due and unpaid by the relevant Borrower, it being understood that the exercise of this option does not result in a change in the duration of the amortisation plan of the relevant Loan or the amount of the relevant Balloon Instalment.>>; and* *<<"**Instalment Reset Option**" means the option that allows the Borrower to reset to zero the amount of the Instalments set forth in the amortisation plan, up to a maximum of three consecutive Instalments, provided that, as of the date such option is exercised, there are no Instalments past due and unpaid by the relevant Borrower, it being understood that the exercise of this option does not result in a change in the duration of the amortisation plan of the relevant Loan or the amount of the relevant Balloon Instalment.>>.*	
13	**STS Criteria** 13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.	**Verified?** **YES**
	PCS Comments See point 12 above.	

Article 20.8. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.

14	**STS Criteria** 14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.	**Verified?** **YES**
	PCS Comments See the R&W in §(x) of Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT – Other representation and warranties": *<<(x) (No underlying transferable securities) The Receivables do not include, any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU, in accordance with article 20(8), last paragraph, of the EU Securitisation Regulation.>>.*	

Article 20.9. The underlying exposures shall not include any securitisation position.

15	**STS Criteria** 15. The underlying exposures shall not include any securitisation position.	**Verified?** **YES**
	PCS Comments See the R&W in §(v) of Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT – Other representation and warranties": *<<(v) (No securitisation position) The Receivables do not include any securitisation position, in accordance with article 20(9) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.* See also the Eligibility Criteria, as set out in the section "THE PORTFOLIO".	

Article 20.10. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.

16	**STS Criteria** 16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.	**Verified?** **YES**
	PCS Comments See the R&W in §(ii) of Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT – Other representation and warranties": *<<(ii) (Originator's ordinary business) The Receivables were originated in the ordinary course of the Originator's business in compliance with consumer underwriting standards not less stringent than those applied by the Originator to similar non-securitised exposures at the time of their origination, in accordance with article 20(10) of the EU Securitisation Regulation and EBA Guidelines on STS Criteria.>>.*	
17	**STS Criteria** 17. Pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.	**Verified?** **YES**
	PCS Comments See R&W quoted in point 16 above.	

Article 20.10. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.

18	**STS Criteria** 18. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.	**Verified?** **YES**

	PCS Comments The underwriting standards are set out in the Section "CREDIT AND COLLECTION POLICIES". Since the transaction is not revolving, future material changes to the existing underwriting standards will not be relevant in an STS perspective.

Article 20.10. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.		
19	**STS Criteria** 19. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.	**Verified?** **YES**
	PCS Comments This requirement does not apply to consumer loans or auto loans. See in this respect the representation on homogeneity contained in §(vii)(*Homogeneity*), sub. (c), of the Section headed "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT - Other representations and warranties": *<<(c) the Receivables (1) arise from Loans falling within the asset category entitled of "auto loans and leases" provided under article 1, paragraph (v) of the Regulatory Technical Standards regarding the homogeneity of the underlying exposures and (2) all Receivables reflect at least the homogeneity factor of the "type of obligors", being all Debtors individuals persons as provided under article 2, paragraph 4, letter (a) of the Regulatory Technical Standards regarding the homogeneity of the underlying exposures.>>.*	

Article 20.10. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.		
20	**STS Criteria** 20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.	**Verified?** **YES**
	PCS Comments See the representation contained in §(iv) of the Section headed "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT - Other representations and warranties": *<<(iv) (Debtors' creditworthiness) The Originator has assessed the Debtors' creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC, pursuant to article 20(10) of the EU Securitisation Regulation.>>.*	

Article 20.10. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.		
21	**STS Criteria** 21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	**Verified?** **YES**
	PCS Comments See the representation contained in §(iii) of the Section headed "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT - Other representations and warranties": *<<(iii) (Originator's expertise) The Originator has more than 5 years expertise in originating exposures of a similar nature to those securitised, in accordance with article 20(10) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria;>>.* See also "THE ORIGINATOR AND THE SUB-SERVICER - Originator description", and in particular the statement that <<*The business of the consolidated group to which TFSI belongs for accounting reasons has included the originating of exposures similar to those securitised for at least five years.*>> and the tables setting out the volume of consumer loans originated in the years 2017-2021.	

Article 20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013…		
22	**STS Criteria** 22. The underlying exposures shall be transferred to the SSPE after selection without undue delay…	**Verified?** **YES**
	PCS Comments This transaction is not revolving. The Portfolio is being selected on the Effective Date and legally transferred to the SPV on the Transfer Date. PCS' view is that any period of up to three and a half months or less between pool cut date and closing will meet the requirements of the criterion. This is in line with market standards. The Prospectus sets out the definitions of Effective Date and Transfer Date: both are scheduled to fall in February 2023, so the requirement as to the maximum time gap between selection and transfer is expected to be satisfied on closing.	
23	**STS Criteria** 23. And shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013…	**Verified?** **YES**
	PCS Comments	

See the representation contained in §(vi) of the Section headed "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT - Other representations and warranties":

<<(vi) (No exposures in default/credit-impaired obligations) As at the Effective Date and as at the Transfer Date, the Portfolio does not include Receivables qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired debtor, who, to the Originator's knowledge:

(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 (three) years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 (three) years prior to the Transfer Date; or

(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or

(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by the Originator which have not been assigned under the Securitisation,

in each case pursuant to article 20(11) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.

Article 20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:

(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:

(i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and

(ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;

(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender; or

(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.

24	**STS Criteria** 24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:	**Verified?** **YES**

PCS Comments

See the R&W mentioned under point 23 above.

The note below applies to points from 24 to 30.

Although the text of the STS Regulation is quite vague, the EBA guidelines on defining "credit impaired" debtors are very helpful.

For PCS, the key points of the EBA guidelines on this issue are:

	a. Firstly, that the three listed conditions of credit impaired status (set out in article 20.11 (a) to (c) of the Regulation) amount to a full definition of what it means to be "credit impaired". So that it is not necessary to reflect at what the term "credit impaired" could mean above and beyond those three items. *b. Secondly, in relation to entries in a credit registry, the EBA is very clear that the criterion should not be interpreted as excluding debtors with any entry on a credit registry. Providing further guidance, the example given in the EBA Guidelines of a credit registry entry that would not be indicative of a "credit impaired" debtor is the example of a failure to pay that can "reasonably be ignored" for the purposes of credit assessment.* *Therefore, the criterion, to be met, does not require the elimination from the pool of all debtors with any negative entry in a credit registry but only those whose entries it would not be reasonable to ignore for the purposes of credit assessments.* *Absent any further clarification from the EBA or a national competent authority regarding what it is reasonable to ignore, a judgement would still be necessary in cases where the originator does include in the pool some debtors with some negative entries in a credit registry.* *In making this judgement, PCS takes comfort from the intent of the legislators – including, crucially, the legislators' belief that the STS Regulation was justified by the excellent performance of most "plain vanilla" European securitisation. It is clear to PCS that the "credit impaired" prohibition is driven by the desire of legislators to exclude from the STS category deals generally coming under the definition of "sub-prime". Therefore, it is unreasonable to refuse STS status to a transaction considered by universal consensus to be a "prime/plain vanilla" transaction with no "sub-prime" aspects. Indeed, this approach seems to be the rationale behind the EBA Guidelines on this matter.* *c. Thirdly, the EBA Guidelines on guaranteed obligations make it clear that the criterion is met so long as either the debtor or the guarantor are not "credit impaired".* ***Based on the representation quoted in point 23 above, PCS reached sufficient evidence that this requirement is satisfied.***	
25	**STS Criteria** 25.(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.	**Verified?** **YES**
	PCS Comments See the R&W mentioned under point 23 above.	
26	**STS Criteria** 26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:	**Verified?** **YES**
	PCS Comments See the R&W mentioned under point 23 above.	
27	**STS Criteria** 27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and	**Verified?** **YES**
	PCS Comments See the R&W mentioned under point 23 above.	

	PCS notes that the statement of absence of exposures to a credit-impaired debtor or guarantor, that have undergone a debt-restructuring process in the latest three years prior to the assignment to the SPV is not qualified by any exception. This requirement is, therefore, satisfied.	
28	**STS Criteria** 28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;	**Verified?** **YES**
	PCS Comments See point 27 above.	
29	**STS Criteria** 29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;	**Verified?** **YES**
	PCS Comments See the R&W mentioned under point 23 above.	
30	**STS Criteria** 30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.	**Verified?** **YES**
	PCS Comments See the R&W mentioned under point 23 above.	

Article 20.12. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.		
31	**STS Criteria** 31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.	**Verified?** **YES**
	PCS Comments See the following Eligibility Criterion in "THE PORTFOLIO – The Eligibility Criteria": *<<(i) loans in relation to which the relevant borrower has paid at least one instalment;>>.*	

Article 20.13. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures. This shall not prevent such assets from being subsequently rolled-over or refinanced.

The repayment of the holders of the securitisation positions whose underlying exposures are secured by assets the value of which is guaranteed or fully mitigated by a repurchase obligation by the seller of the assets securing the underlying exposures or by another third party shall not be considered to depend on the sale of assets securing those underlying exposures.

32	**STS Criteria** 32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.	**Verified?** **YES**
	PCS Comments See the representation contained in §(xi) of the Section headed "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT - Other representations and warranties": *<<(xi) (Sale of assets) The repayment of the Receivables is not dependent on the sale of the relevant vehicles as the Loans are not backed by security rights on the vehicles, in accordance with article 20(13) of the EU Securitisation Regulation and the EBA Guidelines.>>.* PCS also notices that the underlying exposures are amortising loans. As to the balloon payments, see "THE PORTFOLIO - Main features of the Loan Agreements - Types of Loans". See also point 13 above.	

Article 21.1. The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.

	STS Criteria	Verified?
33	33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.	YES

PCS Comments

See the section headed "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Retention undertaking of the Originator", sub §(a) confirming the Originator's obligation to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (d) of article 6(3) of the EU Securitisation Regulation.

Article 21.2. The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.

	STS Criteria	Verified?
34	34. The interest rate…risks arising from the securitisation shall be appropriately mitigated.	YES

PCS Comments

Interest rate risk is hedged by means of a Hedging Agreement.

See Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 7. THE HEDGING AGREEMENT".

Clearly and explicitly, "appropriate" hedging does not require "perfect" hedging. This is confirmed by the EBA Guidelines which require the hedges to cover a "major share" of the risk from an "economic perspective". However, the definition of "appropriate" hedging or a "major share" of the risk will always contain an element of subjectivity and must be analysed on a case by case basis.

The fact that the Regulation was crafted by the legislators to recognise existing high quality European securitisations rather than raise the bar to a level not previously encountered, together with the common-sense approach of the EBA, leads to the conclusion that transactions considered adequately hedged by common investor and rating agency consensus should be held to meet this criterion.

This still requires an analysis of the matter. Since PCS is not a quantitative analysis provider or a credit rating agency, our verification is based on a second-hand analysis which focuses on:

• A statement in the Prospectus or other document setting out the boundary conditions of the hedging. This should state in effect how far the hedging stretches and under what scenario's it will break. For example, if interbank rates rise above X%. This will provide a common-sense feel for whether, at first glance, the hedging is reasonable.

• Risk Factors section of the Prospectus to check that no statements refer to the risks of "unhedged positions". This is based on the legal requirement to disclose any relevant information to investors. If the originator or its advisers believed that the hedging in a transaction was unusually light, this should be disclosed in the Risk Section.

• The "pre-sale" report from a recognised credit rating agency (if used) so as to identify any issues with hedging. Again, rating agencies as credit specialists should highlight in their analysis any substantial and unusual hedging risks.

35	**STS Criteria** 35. Currency risks arising from the securitisation shall be appropriately mitigated.	**Verified?** **YES**
	PCS Comments See the representation contained in §(iv) of the Section headed "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 3. THE WARRANTY AND INDEMNITY AGREEMENT - Representation and warranties relating to the Receivables": *<<(iv) (Currency) All Loans and Receivables exist, are expressed in Euro and the relevant Loan Agreements do not contain provisions allowing the conversion of the relevant Loan in another currency.>>.* See the following Eligibility Criterion in "THE PORTFOLIO – The Eligibility Criteria": *<<(f) loans which are denominated in Euro and do not contain provisions that allow the conversion into another currency;>>.* Pursuant to the Terms and Conditions of the Notes, the Notes are denominated in Euro. In the light of the above, it can be inferred that this transaction is not subject to currency risk, and no mitigation is required in that respect. See also the definition of "Basic Terms Modification" in Article 2 of the Rules, which includes *<<(d) to change the currency in which payments due in respect of any Class of Notes are payable;>>*. This implies a specially enhanced majority for the Noteholders to resolve into change in the currency of the Notes.	
36	**STS Criteria** 36. Any measures taken to that effect shall be disclosed.	**Verified?** **YES**
	PCS Comments See point 34 above for a description of how interest rate risk is hedged. No measure is taken in respect of currency risk, since both the Notes and the assets are denominated in EUR.	

Article 21.2. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives.
Those derivatives shall be underwritten and documented according to common standards in international finance.

37	**STS Criteria** 37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and…	**Verified?** **YES**
	PCS Comments	

	See Terms and Conditions of the Notes – Condition 5.12: *<<5. COVENANTS* *For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in or contemplated by any of the Transaction Documents: (…)* *5.12. Derivatives - enter into derivative contracts save for the Hedging Agreement or save as expressly permitted by article 21, paragraph 2, of the EU Securitisation Regulation.>>.* See also the definition of Eligible Investments, where it is specified that *<<(…) provided that, in no case such investment shall be made, in whole or in part, actually or potentially, in (I) tranches of other asset-backed securities; or (II) credit-linked notes, swaps or other derivative instruments, or synthetic securities; (…)>>.*	
38	**STS Criteria** 38. …Shall ensure that the pool of underlying exposures does not include derivatives.	**Verified?** **YES**
	PCS Comments See the section headed "THE PORTFOLIO" where it is stated that *<<The Receivables comprised in the Portfolio only arise out of loans for vehicles (prestiti per veicoli) qualifying as consumer loan (prestiti al consumo) which, as at the Transfer Date, are existing and classified as performing by the Originator. All Receivables purchased by the Issuer from the Originator have been selected on the basis of the Eligibility Criteria listed in the Receivables Purchase Agreement and repeated (following translation in English language) in this Prospectus (see the section headed "The Eligibility Criteria", below). The Receivables do not and may not consist, in whole or in part, actually or potentially, of credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives.>>.* See also the "Eligibility Criteria" set out in the section "THE PORTFOLIO" *<<(d) loans granted by TFSI and arising from loan agreements executed exclusively by TFSI;>>.* See also point 37 above.	

39	**STS Criteria** 39. Those derivatives shall be underwritten and documented according to common standards in international finance.	**Verified?** **YES**
	PCS Comments See points 34-36 above.	

Article 21.3. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, and shall not reference complex formulae or derivatives.

40	**STS Criteria** 40. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds and shall not reference complex formulae or derivatives.	**Verified?** **YES**

	PCS Comments As for assets: • Interest payable by Borrowers on the Loans is calculated on the basis of a fixed rate of interest (see the section headed "THE PORTFOLIOS – The Eligibility Criteria" sub § (g) where it is stated that <<*(g) loans providing for fixed interest rate; (…)*>>. As for liabilities: • the Senior Notes have a floating rate of interest. See the TERMS AND CONDITIONS OF THE NOTES, Condition 7.5 (*Rate of interest*). In particular, the Senior Notes Interest Rate is Euribor based. On the contrary the Junior Notes Interest Rate is a fixed interest rate, and is set out in CONDITION 7.5.1 of the TERMS AND CONDITIONS OF THE NOTES. • The excess spread is taken out through a Variable Return Amount payable on the Junior Notes (see last items of the PoP). Based on the above, PCS is prepared to verify this requirement.

Article 21.4. Where an enforcement or an acceleration notice has been delivered: (a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures; (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position; (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and (d) No provisions shall require automatic liquidation of the underlying exposures at market value.		
41	**STS Criteria** 41. Where an enforcement or an acceleration notice has been delivered: (a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;	**Verified?** **YES**
	PCS Comments See the "Post-Enforcement Order of Priority" set out in Condition 6.3 of TERMS AND CONDITIONS OF THE NOTES. See also the following provision contained in Condition 12.4 of TERMS AND CONDITIONS OF THE NOTES: *<<(…) Upon the delivery of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Order of Priority and pursuant to the terms of the Transaction Documents, as required by article 21, paragraph 4, letter a), of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.*	

	PCS notes that in a Post-Enforcement scenario, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the payment of taxes, fees and expenses in the form of "Issuer Disbursement Amount", to be paid into the Expenses Account.	
42	**STS Criteria** 42. (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;	**Verified?** **YES**
	PCS Comments We note that the "Post-Enforcement Order of Priority", applicable in a post enforcement scenario, contemplates only sequential payments (see items from fifth onwards). On this basis PCS is prepared to verify this requirement.	
43	**STS Criteria** 43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	**Verified?** **YES**
	PCS Comments See point 42 above.	
44	**STS Criteria** 44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.	**Verified?** **YES**
	PCS Comments See the following provision contained in Condition 12.4 of TERMS AND CONDITIONS OF THE NOTES: *<<(…) No provisions require the automatic liquidation of the Portfolio upon the delivery of a Trigger Notice, pursuant to article 21, paragraph 4, letter d), of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.*	

Article 21.5. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.		
45	**STS Criteria** 45. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.	**Verified?** **YES**
	PCS Comments The first step in analysing this criterion is to determine whether the transaction features non-sequential priorities of payment.	

	This is not the case in this transaction since payments in respect of the Notes are made sequentially both in a pre and post-enforcement scenario (see Condition 6 (*Order of Priority*) in "TERMS AND CONDITIONS OF THE NOTES" and in "TRANSACTION OVERVIEW"). Therefore, the above requirement is satisfied.

Article 21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:

(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;

(b) the occurrence of an insolvency-related event with regard to the originator or the servicer;

(c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);

(d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).

46	**STS Criteria** 46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following: (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;	**Verified?** **YES**
	PCS Comments This provision applies to transactions with a revolving period. This transaction does not contemplate a revolving period and therefore this requirement does not apply.	
47	**STS Criteria** 47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;	**Verified?** **YES**
	PCS Comments Not applicable: see comments to point 46 above.	
48	**STS Criteria** 48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);	**Verified?** **YES**
	PCS Comments Not applicable: see comments to point 46 above.	
49	**STS Criteria** 49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).	**Verified?** **YES**
	PCS Comments	

	Not applicable: see comments to point 46 above.

Article 21.7. The transaction documentation shall clearly specify:

(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;

(b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and

(c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.

50	**STS Criteria** 50. The transaction documentation shall clearly specify: (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;	**Verified?** **YES**
	PCS Comments For the Servicer and Sub-Servicer, see the Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 2. THE SERVICING AGREEMENT", particularly sub-sections "Activities of the Servicer" and "Activities of the Sub-Servicer". For the Representative of the Noteholders (that performs fiduciary activities on behalf of the Noteholders and other issuer creditors) see the "Rules of the Organisation of the Noteholders" contained in the TERMS AND CONDITIONS OF THE NOTES, Article 30 (*Duties and Powers of the Representative of the Noteholders*) and "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 9. THE MANDATE AGREEMENT". See also the Condition 13 (Enforcement) of the TERMS AND CONDITIONS OF THE NOTES for the provisions regulating the activities in case of enforcement. For the other ancillary service providers, see the Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS".	
51	**STS Criteria** 51. (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and	**Verified?** **YES**
	PCS Comments See the Section "DESCRIPTION OF THE TRANSACTION DOCUMENTS - 2. THE SERVICING AGREEMENT", particularly sub-sections "Termination and resignation of the Servicer" and "Termination and resignation of the Sub-Servicer", which contain a summary of the servicing continuity provisions contained in the Servicing Agreement: In particular *<<The termination of the Servicer's appointment will be effective as from the revocation date specified in the notice, provided however that the Servicer shall continue to perform the obligations arising from the Servicing Agreement if on such date a successor servicer has not been appointed by the Issuer and it has accepted the relevant appointment.>>* and *<<The termination of the Sub-Servicer's appointment will be effective as from the revocation date specified in the notice, provided however that the Sub-Servicer shall continue to perform the obligations arising from the Servicing Agreement if on such date a successor sub-servicer has not been appointed by the Servicer and it has accepted the relevant appointment.>>*	

	Pursuant to the Intercreditor Agreement a Back-Up Servicer Facilitator is also appointed (see ""DESCRIPTION OF THE TRANSACTION DOCUMENTS – 6. THE INTERCREDITOR AGREEMENT - Appointment of the Back-up Servicer Facilitator". See also the following statement in "Termination and resignation of the Sub-Servicer": *<<Following the termination of the appointment of the Sub-Servicer, the Issuer, with the cooperation of the Back-up Servicer Facilitator, shall select a successor sub-servicer (different from the Servicer), which fulfill, mutatis mutandis, the requirements set out above for substitute servicer.>>*	
52	**STS Criteria** 52. (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.	**Verified?** **YES**
	PCS Comments As for the Hedging Counterparty, see "Description of the Transaction Documents – 6. The Intercreditor Agreement - Replacement of the Hedging Counterparty": *<<Replacement of the Hedging Counterparty - In the event of early termination of Hedging Agreement, including any termination upon failure by the Hedging Counterparty to perform its obligations thereunder, the Issuer has covenanted with the Representative of the Noteholders under the Intercreditor Agreement that it will use its best endeavours to find, in consultation with the Originator, a suitably rated replacement hedging counterparty who is willing to enter into a replacement hedging agreement substantially on the same terms as the relevant Hedging Agreement.>>.* No liquidity providers are contemplated for this transaction and therefore no continuity provisions are necessary in this respect. As for the Account Bank, see "Description of the Transaction Documents – 5. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT". In particular it is stated that: *<<(…) The Issuer may (with the prior approval of the Representative of the Noteholders and prior notice to the Rating Agencies) revoke the appointment of any Agent by giving not less than three month written notice to the relevant Agent (with a copy to the Representative of the Noteholders), regardless of whether a Trigger Event has occurred, provided that no revocation of the appointment of any Agent shall take effect until a successor has been duly appointed. (…)* *(…) Such resignation will be subject to and conditional upon: (i) if such resignation would otherwise take effect less than ten days before or after any Payment Date (or any other date on which the Issuer is allowed or obliged for whatever reason to effect payments in respect of the Notes), such resignation not taking effect until the tenth day following such date; (ii) a substitute Calculation Agent, Paying Agent, Cash Manager or Account Bank, as the case may be, being appointed by the Issuer, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement (in particular, the substitute Paying Agent or Account Bank must be an Eligible Institution); (iii) no Agent being released from its obligations under the Cash Allocation, Management and Payments Agreement until a substitute Agent has entered into such new agreement and it has become a party to the Intercreditor Agreement and the other relevant Transaction Documents; and (…).>>.*	

Article 21.8. The servicer shall have expertise in servicing exposures of a similar nature to those securitised and shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.		
53	**STS Criteria** 53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised	**Verified?** **YES**

	PCS Comments *The EBA Guidelines provide that an entity that has serviced similar assets for at least five years will be deemed to meet the expertise criterion.* This the case for Zenith, acting as Servicer and of TFSI acting as Sub-Servicer. More in detail, both Zenith and TFSI are authorised, regulated and supervised financial intermediaries in Italy. See details in TRANSACTION OVERVIEW. See also the relevant statements contained in "Description of the Transaction Documents – 2. THE SERVICING AGREEMENT", sub "Activities of the Servicer" and "Activities of the Sub-Servicer". The Sections above confirm that also a substitute servicer or sub-servicer shall have to meet the same requirements of expertise. *<<(…) the Issuer shall appoint, as successor servicer, an entity which fulfill the following requirements:* *(a) be an entity meeting the requirements set out under the Securitisation Law, the EU Securitisation Regulation, the Regulatory Technical Standards, the EBA Guidelines on STS Criteria and the Bank of Italy to act as a servicer in a securitisation transaction;>> and* *<<(…) Following the termination of the appointment of the Sub-Servicer, the Issuer, with the cooperation of the Back-up Servicer Facilitator, shall select a successor sub-servicer (different from the Servicer), which fulfill, mutatis mutandis, the requirements set out above for substitute servicer.>>*

54	**STS Criteria** 54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	**Verified?** **YES**
	PCS Comments See section "CREDIT AND COLLECTION POLICIES". The EBA Guidelines specify that the relevant servicer should be considered to have the requisite elements of the criterion if it is "an entity that is subject to prudential and capital regulation and supervision in the Union". This requirement is certainly met by TFSI, as confirmed in the statements contained in the sections mentioned in point 53 and above.	

Article 21.9. The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies

55	**STS Criteria** 55. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	**Verified?** **YES**
	PCS Comments	

	See section "CREDIT AND COLLECTION POLICIES". PCS notices that the collection policies are contained in Schedule 3 to the Servicing Agreement, headed "COLLECTION POLICIES", and are also described in the section "CREDIT AND COLLECTION POLICIES" of the Prospectus. PCS has reviewed the relevant documents to satisfy itself that these criteria are met.

Article 21.9. The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.		
56	**STS Criteria** 56. The transaction documentation shall clearly specify the priorities of payment,	**Verified?** **YES**
	PCS Comments See "ORDER OF PRIORITIES" in Condition 6 of the "TERMS AND CONDITIONS OF THE NOTES" and in the TRANSACTION OVERVIEW. PCS has reviewed the relevant documents and is satisfied that this requirement is met.	
57	**STS Criteria** 57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.	**Verified?** **YES**
	PCS Comments See Condition 12 (TRIGGER EVENTS) setting out the Trigger Events that trigger changes in the PoP to be applied. See also point 45 above. PCS has reviewed the relevant documents and is satisfied that this requirement is met.	
58	**STS Criteria** 58. The transaction documentation shall clearly specify the obligation to report such events.	**Verified?** **YES**
	PCS Comments This is a future event. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting, at the same time, that the absence of any such covenant – although possibly unsettling for some investors - would not invalidate the STS status of the transaction at closing. PCS notes the existence of such covenant in the documentation (i.e. through the provision of the Inside Information and Significant Event Report).	
59	**STS Criteria**	**Verified?**

	59. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.	**YES**
	PCS Comments See point 58 above. This is a future event. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS notes the existence of such covenant in the documentation (i.e. through the provision of the Inside Information and Significant Event Report) – see "5. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT - Transparency requirements": *<<(d) (…) it is agreed and understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation (including, inter alia, the occurrence of any events which trigger changes in the Orders of Priority) has been notified to the Reporting Entity or the Reporting Entity is in any case aware of any such information, the Reporting Entity (by way of delegation to the Calculation Agent) shall promptly prepare the Inside Information and Significant Event Report and make it available, without delay, to the entities referred to under article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation, by publication through the Securitisation Repository;>>.*	

Article 21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.		
60	**STS Criteria** 60. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders	**Verified?** **YES**
	PCS Comments See "Rules of the Organisation of the Noteholders" included as an Exhibit 1 to the Terms and Conditions of the Notes, both included in the Prospectus. Although the wording of the Regulation as to what constitutes the "facilitation of timely resolution of conflicts" is quite vague, the EBA Guidelines have helpfully set out the five minimum requirements that the documents should contain to meet this criterion. In this respect, the following five requirements need to be contemplated by the relevant transaction documents. The Rules of the Organisation of the Noteholders contain the required provisions: (a) the method for calling meetings; as for method: Article 6 (*Convening a Meeting*). (b) the maximum timeframe for setting up a meeting: Article 7 (*Notices*) and Article 10.2 (*Adjournment for want of quorum*) and Article 11(*Adjourned Meeting*). (c) the required quorum: Article 9.1 (*Quorum*). (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision: Article 9.2 (*Quorum*). (e) where applicable, a location for the meetings which should be in the EU: Article 6.3 (*Time and place of Meetings*), 6.4.5 and Article 10 (*Adjournment for want of quorum*). PCS has reviewed the underlying documents to ascertain that all the five requirements above are indeed present.	

Article 21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.		
61	**STS Criteria** 61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	**Verified?** **YES**
	PCS Comments See point 50 above: For the Representative of the Noteholders (that performs fiduciary activities on behalf of the noteholders and other issuer creditors) see the "Rules of the Organisation of the Noteholders", Article 30 (*Duties and Powers of the Representative of the Noteholders*).	

Article 22.1. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period no shorter than five years.

62	**STS Criteria** 62. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,	**Verified?** **YES**
	PCS Comments See "THE PORTFOLIO": <<*Historical Performance Data* *Data on the historical performance of receivables originated by the Originator are made available as pre-pricing information on the Securitisation Repository.* *These historical data are substantially similar to those of the Receivables pursuant to, and for the purposes of, article 22(1) of the EU Securitisation Regulation, given that (i) the most relevant factors determining the expected performance of the underlying exposures are similar; and (ii) as a result of the similarity referred to in paragraph (i) above, it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the Securitisation, their performance would not be significantly different.*>>. See also §(b) of "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements": <<*Under the Intercreditor Agreement, the relevant parties thereto have acknowledged and agreed as follows as to pre-pricing disclosure requirements set out: (…)* *(b) under article 22 of the EU Securitisation Regulation, the Originator has made available (i) to the Reporting Entity, the available information related to the environmental performance of the assets financed by Vehicles, (ii) to the potential Noteholders, through the Securitisation Repository: (x) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (y) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria. (…)*>>. See also the statement in "THE PORTFOLIO - Historical Performance Data". Documents containing such data have also been provided to PCS.	
63	**STS Criteria** 63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	**Verified?** **YES**
	PCS Comments See statements in this respect contained in the sections mentioned in point 62 above.	
64	**STS Criteria** 64. Those data shall cover a period no shorter than five years.	**Verified?** **YES**
	PCS Comments	

	See statements in this respect contained in the sections mentioned in point 62 above.

Article 22.2. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate.

65	**STS Criteria** 65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,	**Verified?** **YES**
	PCS Comments See statement in Section "THE PORTFOLIOS", paragraph headed "Pool Audit": <<*Pool Audit* *Pursuant to article 22(2) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, an appropriate and independent party has verified prior to the Issue Date: (i) on a statistical basis, the integrity and referentiality of the information provided in the documentation and in the IT systems in respect of each selected position of a representative sample of the Portfolio; (ii) the accuracy of the data disclosed in this Prospectus in respect of the Receivables (including the data set forth under sub-section headed "Characteristics of the Portfolio" above); and (iii) the compliance of the data contained in the loan by loan data tape prepared by the Originator in relation to the Receivables with the Eligibility Criteria that are able to be tested prior to the Issue Date and no significant adverse findings have been found.*>>. PCS has reviewed the "agreed upon procedures" (AUP) commonly known as a "pool audit" to its satisfaction and the results of such verification exercise. PCS notices that Pool Audit was performed by an appropriate and independent party.	
66	**STS Criteria** 66. Including verification that the data disclosed in respect of the underlying exposures is accurate.	**Verified?** **YES**
	PCS Comments See statements in this respect contained in the section mentioned in comments to point 65 above.	

Article 22.3. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE, and shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.

67	**STS Criteria** 67. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.	**Verified?** **YES**

	PCS Comments See §(b) of "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements": *<<Under the Intercreditor Agreement, the relevant parties thereto have acknowledged and agreed as follows as to pre-pricing disclosure requirements set out: (…)* *(b) under article 22 of the EU Securitisation Regulation, the Originator has made available (i) to the Reporting Entity, the available information related to the environmental performance of the assets financed by Vehicles, (ii) to the potential Noteholders, through the Securitisation Repository: (x) data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, pursuant to article 22(1) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria, and (y) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria. (…)>>.* *PCS is not a modelling firm nor has any modelling expertise. The criterion requires that an accurate liability model - to be circulated to prospective investors pre-pricing - must be made publicly available on-going. Therefore, PCS does not verify the model's accuracy or perform any due diligence whatsoever on the model. However, it seeks to satisfy itself indirectly as to the likelihood of the model's accuracy by requesting details of the individuals (if employed by the originator) or the firms (if the model is outsourced) responsible for the model. PCS received sufficient comforts in respect of the above.*	
68	**STS Criteria** 68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.	**Verified?** **YES**
	PCS Comments See statement in "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements": *<<(…) In addition, under the Intercreditor Agreement, the Originator has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, through Securitisation Repository, a liability cash flow model (to be updated from time to time by or on behalf of the Originator in case of material changes in the actual or expected cash flows) which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the EU Securitisation Regulation and the EBA Guidelines on STS Criteria.>>.* *This is primarily a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS, nevertheless notices that a covenant on the part of the Originator to comply in the future with this requirement is included in the documentation.*	

Article 22.4. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).

By way of derogation from the first subparagraph, originators may, from 1 June 2021, decide to publish the available information related to the principal adverse impacts of the assets financed by underlying exposures on sustainability factors.

69	**STS Criteria** 69. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1). (…) originators may, from 1 June 2021, decide to publish the available information related to the principal adverse impacts of the assets financed by underlying exposures on sustainability factors.	**Verified?** **YES**

PCS Comments

See "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements":

<<(…) Under the Intercreditor Agreement, the relevant parties thereto have acknowledged and agreed as follows as to post-closing disclosure requirements set out under article 7 of the EU Securitisation Regulation and of the UK Securitisation Regulation and article 22 of the EU Securitisation Regulation:

(a) the Originator shall provide the Servicer with the information, if available, related to the environmental performance of the Vehicles pursuant to article 22(4) of the EU Securitisation Regulation; (…)>>.

As to the impacts on sustainability factors, PCS was informed that, for the time being, the Originator has not yet planned to make specific publications in that respect.

Article 22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.

70	**STS Criteria** 70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.	**Verified?** **YES**

PCS Comments

See the statement in §(9) of "GENERAL INFORMATION":

<<(9) Under the Intercreditor Agreement (a) the Originator and the Issuer have designated among themselves the Issuer as the reporting entity pursuant to article 7 of the EU Securitisation Regulation and of the UK Securitisation Regulation (the "Reporting Entity") and (b) the parties thereto had acknowledged that the Originator shall be responsible for compliance with article 7 of the EU Securitisation Regulation and of the UK Securitisation Regulation pursuant to the Transaction Documents.>>.

A similar statement is also in "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements".

Article 22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.

71	**STS Criteria** 71. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.	**Verified?** **YES**
	PCS Comments See §(a) of "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements": *<<(a) under article 7(1) letters (a), (b), (c) and (d), the Reporting Entity represented to the Representative of the Noteholders that, before pricing, the data on each Loan Agreement (including the available information related to the environmental performance of the assets financed by Vehicles to be provided by the Originator) and a draft of this Prospectus (which includes a transaction summary for the purposes of point (c) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation), the Transaction Documents and the STS Notification have been made available to the potential holders of a position in the Securitisation and competent supervisory authorities pursuant to article 29 of the EU Securitisation Regulation and of the UK Securitisation Regulation by means of publication through the Securitisation Repository;>>.*	
72	**STS Criteria** 72. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.	**Verified?** **YES**
	PCS Comments See the statement quoted in comments to point 71 above.	

Article 22.5. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.

73	**STS Criteria** 73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.	**Verified?** **YES**
	PCS Comments See §(e) of "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements": *<<(e) pursuant to article 22 of the EU Securitisation Regulation, the Reporting Entity will make available, by means of publication through the Securitisation Repository, the STS Notification, the final Prospectus and the other final Transaction Documents to the investors in the Notes or potential investors in the Notes or the competent authorities, pursuant to the EU Securitisation Regulation, in a timely manner (to the extent not already in its possession) by no later than 15 (fifteen) days after the Issue Date.>>.* This criterion requires document disclosure within 15 days of closing and therefore is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if it is not met within the specified 15-day period, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a	

	technical matter, this criterion is not applicable at the closing of a transaction. However, PCS notices that there is a covenant on the part of the Originator to comply with this requirement.

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: (a) information on the underlying exposures on a quarterly basis, or, in the case of ABCP, information on the underlying receivables or credit claims on a monthly basis;		
74	**STS Criteria** 74. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: (a) information on the underlying exposures on a quarterly basis,	**Verified?** **YES**
	PCS Comments See §(b) of "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements": *<<Under the Intercreditor Agreement, the relevant parties thereto have acknowledged and agreed as follows as to post-closing disclosure requirements set out under article 7 of the EU Securitisation Regulation and of the UK Securitisation Regulation and article 22 of the EU Securitisation Regulation:* *(a) the Originator shall provide the Servicer with the information, if available, related to the environmental performance of the Vehicles pursuant to article 22(4) of the EU Securitisation Regulation;* *(b) pursuant to the Servicing Agreement, the Servicer, on behalf of the Issuer in its capacity as Reporting Entity, will prepare the Loan by Loan Report (which includes all the information required under point (a) above (including, inter alia, the information, if available, related to the environmental performance of the Vehicles as provided by the Originator pursuant to letter (a) above) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation) and deliver it to the Reporting Entity in a timely manner in order for the Reporting Entity (through the Corporate Services Provider) to make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation, by way of publication through the Securitisation Repository, the Loan by Loan Report (simultaneously with the Investor Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;>>.* The provisions regulating the Loan by Loan Report are contained in the Servicing Agreement, clause 3.8 (*Predisposizione e consegna dei Rapporti*). All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.	

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:

(i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;

(ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;

(iii) the derivatives and guarantee agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;

(iv) the servicing, back-up servicing, administration and cash management agreements;

(v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;

(vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

75	**STS Criteria** 75. (b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents: (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust; (iii) the derivatives and guarantee agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator; (iv) the servicing, back-up servicing, administration and cash management agreements; (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value; (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;	**Verified?** **YES**
	PCS Comments See §10 of "GENERAL INFORMATION", where it is stated that: *<<(10) As long as the Notes are outstanding, copies of the following documents may be inspected and obtained free of charge during usual business hours at any time after the date of this Prospectus at the registered office of: (i) the Issuer, being, as at the Issue Date, Via V. Betteloni, 2, 20131 Milan, Italy, (ii) the Representative of the Noteholders, being, as at the Issue Date, Via V. Betteloni, 2, 20131 Milan, Italy, and (iii) the Paying Agent, being, as at the Issue Date, Piazza Lina Bo Bardi, 3, 20124, Milan, Italy and also on the Securitisation Repository within 15 days from the Issue Date at any time after the Issue Date:* *(i) the statuto and atto costitutivo of the Issuer;* *(ii) the financial statements of the Issuer approved from time to time;* *(iii) the following agreements:*	

- *the Receivables Purchase Agreement;*
- *the Servicing Agreement;*
- *the Warranty and Indemnity Agreement;*
- *the Intercreditor Agreement;*
- *the Cash Allocation, Management and Payments Agreement;*
- *the Mandate Agreement;*
- *the Quotaholder's Agreement;*
- *the Hedging Agreement;*
- *the Corporate Services Agreement; and*
- *this Prospectus;*

(iv) any other information made available or to be made available on the Securitisation Repository pursuant to the section headed "Regulatory Disclosure and Retention Undertaking - Transparency Requirements".

The documents listed under paragraph (iii) above constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, each of the documents referred to in point (b) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation.".

The documents listed under paragraph (iii) above constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, each of the documents referred to in point (b) of the first sub-paragraph of article 7(1) of the EU Securitisation Regulation.>>.

All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.

Article 7.1. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;

76	**STS Criteria** 76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;	**Verified?** **YES**
	PCS Comments See "TERMS AND CONDITIONS OF THE NOTES" – Condition 6 (ORDER OF PRIORITY).	

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable: (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure; (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features; (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors; (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;		
77	**STS Criteria** 77. (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable: (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure; (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features; (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors; (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;	**Verified?** **YES**
	PCS Comments The Prospectus is not intended to be compliant with the Prospectus Regulation but it has, however, the contents required by this provision.	

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: (d) in the case of STS securitisations, the STS notification referred to in Article 27;		
78	**STS Criteria** 78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;	**Verified?** **YES**
	PCS Comments See the following statement in "LEGAL AND REGULATORY RISKS" - "The STS designation impacts on regulatory treatment of the Notes": *<<The Securitisation is intended to qualify as a simple, transparent and standardised ("**STS**") securitisation within the meaning of article 18 of the EU Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Prospectus, the EU STS Requirements and, on or about the Issue Date, will be notified by the Originator to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation. Pursuant to article 27(2) of the EU Securitisation Regulation, the STS Notification includes an*	

	explanation by the Originator of how each of the EU STS Requirements has been complied with under the Securitisation. The STS Notification will be available for download on the ESMA STS Register.>>. It is also noted that the Originator is designated as first contact point, for the purposes of the third paragraph of Article 27(1) of the STS Regulation: *<<Furthermore, under the Intercreditor Agreement, each of the Issuer and the Originator has agreed that the Originator is designated as first contact point for investors and competent authorities pursuant to the third sub-paragraph of article 27(1) of the EU Securitisation Regulation.>>.* All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:

(i) all materially relevant data on the credit quality and performance of underlying exposures;

(ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties, and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;

(iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.

79	**STS Criteria** 79. (e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following: (i) all materially relevant data on the credit quality and performance of underlying exposures; (ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties, (ii)…and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation; (iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.	**Verified?** **YES**
	PCS Comments See §(c) of "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements": *<<(c) pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent, on behalf of the Issuer in its capacity as Reporting Entity, will prepare the Investor Report (which includes all the information required under point (e) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation, including, inter alia, the events which trigger changes in the Orders of Priority) and make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation, by way of publication through the Securitisation Repository, (simultaneously with the Loan by Loan Report and the Inside Information and Significant Event Report) by no later than one month after each Payment Date;>>.* All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.	

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;

80	**STS Criteria** 80. (f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;	**Verified?** **YES**
	PCS Comments See §(d) of "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements": *<<(d) pursuant to the Cash Allocation, Management and Payments Agreement, the Reporting Entity (by way of delegation to the Calculation Agent) will prepare the Inside Information and Significant Event Report (which includes all the information required under point (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation, including, inter alia, the events which trigger changes in the Orders of Priority) and make it available to the entities referred to under article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation by way of publication through the Securitisation Repository (simultaneously with the Loan by Loan Report and the Investor Report) by no later than one month after each Payment Date; it is agreed and understood that, in accordance with the Cash Allocation, Management and Payments Agreement, (x) in case any information provided under points (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation (including, inter alia, the occurrence of any events which trigger changes in the Orders of Priority) has been notified to the Reporting Entity or the Reporting Entity is in any case aware of any such information, the Reporting Entity (by way of delegation to the Calculation Agent) shall promptly prepare the Inside Information and Significant Event Report and make it available, without delay after the occurrence of the relevant event or awareness of the inside information, to the entities referred to under article 7(1) of the EU Securitisation Regulation and of the UK Securitisation Regulation, by publication through the Securitisation Repository;>>.* All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.	

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:

(g) where point (f) does not apply, any significant event such as:

(i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;

(ii) a change in the structural features that can materially impact the performance of the securitisation;

(iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;

(iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;

(v) any material amendment to transaction documents.

81	**STS Criteria** 81. (g) where point (f) does not apply, any significant event such as:	**Verified?** **YES**

	(i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach; (ii) a change in the structural features that can materially impact the performance of the securitisation (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation; (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions; (v) any material amendment to transaction documents.	
	PCS Comments See point 80 and the references to the letter (g) of article 7, paragraph 1 in the statements mentioned thereunder. All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.	

Article 7.1. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest (…ABCP provisions)		
82	**STS Criteria** 82. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest (…ABCP provisions)	**Verified?** **YES**
	PCS Comments See §(b) and (c) of "REGULATORY DISCLOSURE AND RETENTION UNDERTAKING - Transparency requirements" referring to simultaneity in the delivery of the Investor Report and the Loan by Loan Report by no later than one month after each Payment Date. All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.	

Article 7.1. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay When complying with this paragraph, the originator, sponsor and SSPE of a securitisation shall comply with national and Union law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated. In particular, with regard to the information referred to in point (b) the originator, sponsor and SSPE may provide a summary of the concerned documentation. Competent authorities referred to in Article 29 shall be able to request the provision of such confidential information to them in order to fulfil their duties under this Regulation.		
83	**STS Criteria** 83. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay	**Verified?** **YES**

	PCS Comments See comments to point 80 above. All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.

Article 7.2. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1. The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository. Or The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.		
84	**STS Criteria** 84. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1. The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository. Or The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.	**Verified?** **YES**
	PCS Comments See definition of Reporting Entity: *<<"Reporting Entity" means the Issuer.>>*. All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.	
85	**STS Criteria** 85. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.	**Verified?** **YES**
	PCS Comments See statement quoted in comments to point 84 above. The entity responsible for reporting the transparency information is the Issuer, acting as Reporting Entity. On the date of the Prospectus, the Securitisation Repository is European DataWarehouse (see definition of Securitisation Repository). All the criteria from 73 onwards are future event criteria, as to which we refer you to PCS' analysis in comments to point 73 above.	