

# **STS Term Verification Checklist**

## **AZURE FINANCE No. 3 PLC**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

20<sup>th</sup> April 2023

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

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

PCS comments in this STS Term Master Checklist are based on PCS' interpretation of the STS Regulation EU 2017/2402 of the European Union as amended and incorporated into United Kingdom law by the Withdrawal Act 2019 and the Securitisation (Amendment) (EU Exit) Regulations 2019 (the "Regulation") informed by (a) the text of the Regulation itself, (b) following the joint guidance of the Bank of England and the PRA of April, 2019, the EBA guidelines and recommendations issued in accordance with Article 19(2) of the Regulation (the "EBA Guidelines") to the extent that they remain relevant following Brexit and where published prior to 1st January 2020 and (c) any relevant interpretation of the STS criteria by the Financial Conduct Authority 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.

**20<sup>th</sup> April 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) or any post-Brexit successor legislation in the United Kingdom.

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**”) and The Securitisation (Amendment) (EU Exit) Regulations 2019.

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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.

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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	Fazel Ahmed
Date of Verification	20 April 2023
<b>The transaction to be verified (the "Transaction")</b>	<b>AZURE FINANCE NO.3 PLC</b>
Issuer	AZURE FINANCE NO.3 PLC
Originator	Blue Motor Finance Limited
Lead Manager(s)	Morgan Stanley, Standard Chartered Bank
Transaction Legal Counsel	Slaughter and May LLP
Rating Agencies	Moody's and DBRS
Stock Exchange	Irish Stock Exchange plc
Closing Date	20 April 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 grey introductory boxes with specific criteria for our verification listed underneath.

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

<b>1</b>	<p><b>STS Criteria</b></p> <p>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.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.</i></p> <p>1. Receivables Sale and Purchase Agreement</p> <p>On the Closing Date, the Seller, the Issuer, the Servicer, the Note Trustee and the Security Trustee will enter into the Receivables Sale and Purchase Agreement.</p> <p>Pursuant to the Receivables Sale and Purchase Agreement, the Seller will sell on the Closing Date to the Issuer and the Issuer will purchase from the Seller all right, title and interest of the Seller in the Receivables and the Ancillary Rights comprised in the Portfolio. Such sale is made by way of absolute assignment and, accordingly, the Seller with full title guarantee will assign to the Issuer all of its rights, title, interest and benefit in and to each Receivable included in the Portfolio, including, to the fullest extent possible under applicable law, all Ancillary Rights related to such Receivable but excluding the Excluded Amounts.</p> <p>Assignment by the Seller to the Issuer of the benefit of the Receivables included in the Portfolio and the Ancillary Rights will take effect in equity only because no notice of the assignment will be given to Obligor. The assignment will be perfected following the occurrence of a Perfection Event.</p> <p><i>See Prospectus, RISK FACTORS.</i></p> <p><i>Equitable assignment by Blue to the Issuer of the benefit of the Receivables (and the Ancillary Rights) derived from HP Agreements governed by the laws of England and Wales will take effect in equity only because no notice of the assignment will be given to Obligor. The giving of notice to an Obligor of the assignment (whether directly or indirectly) by the Issuer would have the following consequences:</i></p> <p><i>"True sale" is not a legal concept but a rating agency creation.</i></p> <p><i>The essence of a "true sale" is that the property in the securitised assets has legally moved from the originator/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/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".</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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 happens for no reasons. The</i></p>	

*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".*

*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 jurisdictions 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 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.

In the case of the Transaction, title to the assets is transferred by means of an equitable or beneficial assignment.

The legal opinions from, Slaughter & May LLP and Shepherd and Wedderburn LLP, collectively confirm that an equitable assignment meets the definition of "true sale" outlined above.

In the case of Blue, a finance company situated in the United Kingdom, the COMI is considered the United Kingdom. United Kingdom insolvency law provides for clawback in the cases of preferences and transactions at an undervalue and require the insolvency officer to prove that case. Therefore, and as confirmed by the Opinions, the transfer is not, in our opinion, subject to "severe clawback".

**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.

<b>2</b>	<b><u>STS Criteria</u></b> 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.	<b><u>Verified?</u></b> <b>YES</b>
	<b><u>PCS Comments</u></b> See <i>Prospectus</i> , SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.	

In addition to the Seller Receivables Warranties, the Seller will on the Closing Date make various corporate representations in respect of itself, including that its “centre of main interests” for the purposes of the EU Insolvency Regulation, the UK Insolvency Regulation and the UNCITRAL Implementing Regulations is in England and it does not have any “establishment” (as defined in the EU Insolvency Regulation, the UK Insolvency Regulation and the UNCITRAL Implementing Regulations) other than in the United Kingdom. COMI is in the UK. The UK does not have severe clawback provisions. See comment under checklist point 1.

**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.

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**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**

*See Prospectus, DESCRIPTION OF THE PURCHASED RECEIVABLES.*

## 3. ELIGIBILITY CRITERIA

(a) The related HP Agreement was originated by Blue in the ordinary course of its business at the point of sale by a Dealer or a Broker or through a direct consumer channel in accordance with its Credit and Collection Procedures;

**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.

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**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**

*See Prospectus, GLOSSARY OF DEFINED TERMS.*

“Perfection Event” means the occurrence of any of the following events:



- (a) the Seller being required to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the Purchased Receivables) by an order of a court of competent jurisdiction or by any regulatory authority with which the Seller is required to comply or any organisation with whose instructions it is customary for the Seller to comply;
- (b) it becoming necessary by law to perfect the Issuer's legal title to the Purchased Receivables (or procure the perfection of the Issuer's legal title to the Purchased Receivables);
- (c) unless otherwise agreed by the Security Trustee, the occurrence of a Servicer Termination Event;
- (d) the Seller calling for perfection by serving notice in writing to that effect on the Issuer, the Note Trustee and the Security Trustee;
- (e) the Seller is in breach of any of its obligations under the Receivables Sale and Purchase Agreement, provided that there shall be no Perfection Event hereunder if (1) the breach (if capable of remedy) has been remedied within 90 calendar days, or (2) (x) the breach (if capable of remedy) has not been remedied within 90 calendar days; and (y) the Rating Agencies have confirmed that the then current ratings of the Class A Notes will not be withdrawn, downgraded or qualified as a result of such breach, provided further that: (A) the Perfection Event in this provision (e) shall not apply if the Seller has delivered a certificate to the Security Trustee that the occurrence of such event does not impact the designation as a 'simple, transparent and standardised' securitisation (within the meaning of the UK Securitisation Regulation) in respect of the Notes; and (B) this Perfection Event (e) shall be subject to such amendment as the Seller may require, so long as the Seller delivers a certificate to the Security Trustee that the amendment of such event does not impact the designation as a 'simple, transparent and standardised' securitisation (within the meaning of the UK Securitisation Regulation) in respect of the Notes; and
- (f) the occurrence of an Insolvency Event in respect of the Seller.

See also the definition of "Insolvency Event" (f) :

- (f) any expropriation, attachment, sequestration, distress, diligence or execution affects any asset or assets of that party and such process is not discharged, stayed or restrained, in each case, within 30 calendar days thereafter.

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.

In the absence of any definition of "an assignment perfected at a later stage" in the Regulation or the EBA Guidelines and without additional views from the UK Financial Conduct Authority it is not possible to determine with finality whether an English equitable assignment is "unperfected" within the meaning of the Regulation – as distinguished from the meaning of the English rules of equity.

PCS believes there are good reasons why the Regulation's term of "an assignment perfected at a later stage" does not encompass an English equitable assignment.

However, this is not a question that is required to be answered in the case of the Transaction since, even if equitable assignments are unperfected assignments as defined in the Regulation, the requirements of the criterion are met by the Transaction.

PCS has measured the trigger events against the EBA Guidelines.

20.5(a)

No absolute definition of "severe deterioration" can be given, but clearly the Regulation is seeking to avoid requiring a "hair trigger" deterioration. In other words, an originator could provide a "hair trigger" deterioration if it wanted to. Therefore, the rule does not require an originator or investor to weigh carefully the severity of the trigger so long as it meets the requirements of the EBA Guidelines to be related to the seller's credit standing, be observable and related to financial health.

20.5(b)

20.5(c)

The Regulation refers to “unremedied breaches of contractual obligations by the seller, including the seller’s default”.

PCS notes that neither the Regulation nor the EBA Guidelines specify which contractual obligations are targeted. One can assume that this cannot possibly mean any seller contractual obligation since most financial institutions have millions of contractual obligations under tens of thousands of contracts. It is not conceivable that, in order to protect a securitisation, a transfer could be required resulting from a trivial breach of a totally unrelated contractual provision (e.g. to keep the walls painted on a leased property unconnected to the transaction).

PCS also notes that the Regulation clearly does not say “any breaches of contractual obligations”. Therefore, the Regulation must be aiming at an undefined sub-set of contractual obligations. In the absence of any indication in the Regulation or EBA Guidelines as to what this sub-set may be, PCS concludes, until clarification may be provided, that it is up to the originator to define which sub-set of obligations should trigger a possible perfection.

PCS does believe though that the Regulation must be interpreted in a purposive manner – as evidenced by the EBA Guidelines. Therefore, the sub-set of obligations selected by the originator cannot be capricious but should have some connection with the risks that would be run by investors if the seller should encounter a problem prior to perfection of the title.

**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.

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**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 *Prospectus*, DESCRIPTION OF THE PURCHASED RECEIVABLES.

4. SELLER RECEIVABLES WARRANTIES

(c) Legal and beneficial ownership: Immediately prior to the Closing Date, the Seller is the sole legal and beneficial owner of each Receivable and the Ancillary Rights relating thereto and is selling each Receivable and the Ancillary Rights relating thereto free from any Adverse Claim (including rights of attaching creditors and trust interests) and, save as provided for in the Transaction Documents and save for the rights of the Obligor under the relevant related HP Agreement, there is no option or right to acquire or create any Adverse Claim, on, over or affecting the Receivable or the Ancillary Rights relating thereto;

“Adverse Claim” means any mortgage, charge, pledge, hypothecation, lien or other security interest or encumbrance or other right or claim under the laws of any jurisdiction, of or on any person’s assets or properties in favour of any other person.

**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	<p><b>STS Criteria</b></p> <p>6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, DESCRIPTION OF THE PURCHASED RECEIVABLES.</i></p> <p>3. ELIGIBILITY CRITERIA</p> <p>The Seller will represent and warrant to the Issuer and the Security Trustee that each Receivable to be transferred to the Issuer on the Closing Date complied with the Eligibility Criteria as at the Cut-Off Date. For the avoidance of doubt, when applying the conditions below, the Receivables have been selected randomly and not with the intention to prejudice Noteholders or Certificateholders.</p> <p>4. SELLER RECEIVABLES WARRANTIES</p> <p>On the Closing Date (and, for so long as the Seller is the Servicer, on each date on which a Permitted Variation is agreed by the Servicer), the Seller will represent and warrant to the Issuer and the Security Trustee in respect of each Receivable to be transferred to the Issuer on such date (or, in the case of a Receivable subject to Permitted Variation, on the date of that Permitted Variation in respect of that Receivable, as applicable) and the related HP Agreement, and with reference to the facts and circumstances subsisting (unless stated to the contrary in the Receivables Sale and Purchase Agreement) as at the Cut-Off Date or, in respect of a Permitted Variation, as at the date of that Permitted Variation, as follows:</p> <p>(a) Compliance with Eligibility Criteria: Each Receivable and each related HP Agreement complies in all respects with the Eligibility Criteria;</p> <p><i>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.</i></p> <p><i>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.</i></p>	
7	<p><b>STS Criteria</b></p> <p>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.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.</i></p> <p>2. SERVICING AGREEMENT</p> <p>Based on the Seller's, the Servicer's and the Issuer's understanding of the spirit of Article 20(7) of the UK Securitisation Regulation and the EBA STS Guidelines applicable to Non-ABCP Securitisations as they apply in respect of the UK Securitisation Regulation:</p>	

(a) the Seller, the Servicer and the Issuer agree not to undertake active portfolio management of the Purchased Receivables included in the Portfolio on a discretionary basis; and

(b) the Seller's rights and obligations to sell Receivables to the Issuer and/or repurchase Receivables from the Issuer pursuant to the Receivables Sale and Purchase Agreement do not constitute active portfolio management of the Purchased Receivables included in the Portfolio on a discretionary basis for the purposes of such Article.

**Defaulted Receivables Call Option**

If a Purchased Receivable becomes a Defaulted Receivable, and following disposal of the Vehicle related to such Purchased Receivable and receipt by the Issuer of the related Vehicle Sale Proceeds as described above, the Seller will have the option under the Receivables Sale and Purchase Agreement, prior to an Insolvency Event occurring in respect of the Seller, to repurchase such Defaulted Receivable. The purchase price payable by the Seller to the Issuer in consideration for the repurchase of such Defaulted Receivable shall be equal to the amount recoverable from a third party debt collection agency in respect of such Defaulted Receivable (such amount to be evidenced in the notice of repurchase, being the amount such a third party is willing to pay as the market value of such claims), net of transaction costs, but in any event up to a maximum amount equal to the Outstanding Principal Balance of the relevant Receivable on the date of the repurchase plus any interest accrued but unpaid thereon (the "Defaulted Receivables Payment").

See also the GLOSSARY OF DEFINED TERMS

"Defaulted Receivables Payment" means, in respect of a Defaulted Receivable, and following disposal of the Vehicle related to such Receivable and receipt by the Issuer of the related Vehicle Sale Proceeds, an amount equal to the amount recoverable from a third party debt collection agency in respect of that Defaulted Receivable (such amount to be evidenced in the notice of repurchase, being the amount such a third party is willing to pay as the market value of such claims), but in any event up to a maximum amount equal to the Outstanding Principal Balance of the relevant Receivable on the Repurchase Date plus any interest accrued but unpaid thereon.

*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".*

<b>8</b>	<b>STS Criteria</b>	<b>Verified?</b>
	8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.	<b>YES</b>
<b>PCS Comments</b>		
Not applicable. Transaction is not a revolving transaction.		

**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.

<b>9</b>	<b>STS Criteria</b>	<b>Verified?</b>
	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.	<b>YES</b>
<b>PCS Comments</b>		

	<p><i>See Prospectus</i>, DESCRIPTION OF THE PURCHASED RECEIVABLES</p> <p>6. HOMOGENEITY</p> <p>For the purposes of Article 20(8) of the UK Securitisation Regulation and Articles 1(a) to (d) of the HRTS, the Purchased Receivables: (i) have been underwritten according to similar underwriting standards, (ii) are serviced according to similar servicing procedures, (iii) fall within the same category of auto loans and leases and (iv) in accordance with the homogeneity factors set forth in Article 20(8) of the UK Securitisation Regulation and Article 2(4)(b) of the HRTS, the Obligor are all resident in one jurisdiction, being the United Kingdom.</p> <p>See Prospectus, THE SELLER AND THE SERVICER.</p> <p>Underwriting: see section Origination and also Underwriting</p> <p>Servicing: see section Servicing and Collections</p> <p>See Prospectus, DESCRIPTION OF THE PURCHASED RECEIVABLES.</p> <p>Asset Type: see section 1. Receivables</p> <p>Jurisdiction: see section 3. Eligibility Criteria (d)</p>	
10	<p><b><u>STS Criteria</u></b></p> <p>10. The underlying exposures shall contain obligations that are contractually binding and enforceable.</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p><i>See Prospectus</i>, DESCRIPTION OF THE PURCHASED RECEIVABLES.</p> <p>3.ELIGIBILITY CRITERIA</p> <p>(ii) The related HP Agreement (i) has been duly executed by or on behalf of the Obligor and (ii) is a legal, valid and binding obligation of the relevant Obligor, subject to any laws or other procedures from time to time in effect relating to bankruptcy, insolvency or liquidation of the Obligor affecting the enforcement of creditors' rights and the effect of principles of equity, if applicable, is in all material respects enforceable in accordance with its terms and is non-cancellable and freely assignable;</p>	
11	<p><b><u>STS Criteria</u></b></p> <p>11. With full recourse to debtors and, where applicable, guarantors.</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b></p> <p><i>See Prospectus</i>, SELLER AND THE SERVICER.</p> <p>Other characteristics of the Purchased Receivables</p> <p>For the purposes of Article 20(8) of the UK Securitisation Regulation, the Purchased Receivables contain obligations that are in all material respects contractually binding and enforceable, with full recourse to Borrowers and, where applicable, guarantors, subject to any laws from time to time in effect relating to bankruptcy, liquidation or any other laws or other procedures affecting generally the enforcement of creditors' rights.</p>	

**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	<p><b>STS Criteria</b></p> <p>12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, THE SELLER AND THE SERVICER.</i></p> <p>Auto receivables</p> <p>General</p> <p>The Receivables arise under fixed sum credit agreements. Blue offers two main types of HP Agreement. One type includes a credit acceptance fee charged in two parts at the start and the end of the agreement, the other does not. If the HP Agreement includes credit acceptance fees, the customer's first monthly payment will be a fee and the final contractual payment will consist of a normal monthly instalment plus a further acceptance fee of £150 and, where the customer wishes to purchase the vehicle, an option to purchase fee of up to £10. For non-fee agreements, the final contractual payment will consist of a normal monthly instalment and, where the customer wishes to purchase the vehicle, an option to purchase fee of up to £10.</p> <p>Payment of interest</p> <p>Each instalment payment generally consists of an interest portion and a principal portion.</p> <p>If the customer makes an instalment payment after its scheduled due date, Blue has the right under the relevant HP Agreement to charge the customer late payment interest. Blue does not currently charge late payment interest.</p> <p>The customer may repay the amount due pursuant to the HP Agreement early, in whole or in part, in accordance with the formulae for full and partial early settlements contained in the CCA and applicable secondary legislation.</p> <p>Residual value risk</p> <p>All HP Agreements are fully amortising. There is no contractual residual value risk arising (other than in respect of Defaulted Receivables and Voluntarily Terminated Receivables).</p>	
13	<p><b>STS Criteria</b></p> <p>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.</p>	<p><b>Verified?</b> <b>YES</b></p>
	<p><b>PCS Comments</b></p> <p>See 12 above.</p> <p><i>See Prospectus, RECEIVABLES POOL AND SERVICING</i></p> <p>Sale of Portfolio</p> <p>The Portfolio will consist of the Receivables and the Ancillary Rights which will be sold by the Seller to the Issuer on the Closing Date.</p>	

The Portfolio will consist of each payment due from an Obligor under an HP Agreement (but excluding any Excluded Amounts) at any time on and from the Cut-Off Date together with the Ancillary Rights relating to such Purchased Receivables (less the Financing Costs incurred between the Cut-off Date and the Closing Date), each of which will be sold to the Issuer on the Closing Date.

The Ancillary Rights include the right to receive the proceeds of sale of the Vehicle that is the subject of the relevant HP Agreement, including where the sale of such Vehicle arises due to the return or repossession of the Vehicle following a default by the Obligor under the relevant HP Agreement or exercise by the relevant Obligor of a Voluntary Termination.

**Article 20.8.** The underlying exposures shall not include transferable securities, as defined in Article 4(1), (24) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 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), (24) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 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 Prospectus, THE SELLER AND THE SERVICER.*

Other characteristics of the Purchased Receivables

The Purchased Receivables do not include: (i) any transferable securities for the purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for the purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for the purposes of Article 21(2) of the UK Securitisation Regulation, in each case on the basis that such Purchased Receivables have been entered into substantially on the terms of similar standard documentation for auto loan receivables

**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 Prospectus, THE SELLER AND THE SERVICER.*

Other characteristics of the Purchased Receivables

The Purchased Receivables do not include: (i) any transferable securities for the purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for the purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for the purposes of Article 21(2) of the UK Securitisation Regulation, in each case on the basis that such Purchased Receivables have been entered into substantially on the terms of similar standard documentation for auto loan receivables

**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	<b>STS Criteria</b>	Verified? YES
	16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.	
	<b>PCS Comments</b>	
	<i>See Prospectus</i> , DESCRIPTION OF THE PURCHASED RECEIVABLES.	
	4. SELLER RECEIVABLES WARRANTIES	
	(u) Underwriting standards: The Purchased Receivables are originated in the ordinary course of the business of Blue pursuant to underwriting standards which are no less stringent than those which also apply to HP Agreements which will not be securitised; and	
17	<b>STS Criteria</b>	Verified? YES
	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.	
	<b>PCS Comments</b>	
	<i>See Prospectus</i> , DESCRIPTION OF THE PURCHASED RECEIVABLES.	
	4. SELLER RECEIVABLES WARRANTIES	
	(u) Underwriting standards: The Purchased Receivables are originated in the ordinary course of the business of Blue pursuant to underwriting standards which are no less stringent than those which also apply to HP Agreements which will not be securitised; and	

**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	<b>STS Criteria</b>	Verified? YES
	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.	
	<b>PCS Comments</b>	
	<i>See Prospectus</i> . DESCRIPTION OF THE PURCHASED RECEIVABLES.	
	5. CHANGES TO UNDERWRITING STANDARDS	
	Blue as Seller agrees that if it makes any material changes from its prior underwriting standards it will promptly notify such changes to the Issuer and the Security Trustee in writing, and to investors in accordance with Condition 15 (Notices), in each case without undue delay and to the extent required under Article 20(10) of the UK Securitisation Regulation.	



*Although somewhat confusingly drafted, the EBA Guidelines make clear that the part of the criterion referring to changes from prior underwriting is a future event criterion. It applies changes in underwriting criteria that occur post-closing. 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 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.*

**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**

*Not applicable.*

**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 Prospectus, RISK RETENTION AND SECURITISATION REGULATION REPORTING*

The Seller has applied to the Receivables which will be transferred by it to the Issuer the same sound and well-defined criteria for credit-granting, in accordance with Article 9(1) of the UK Securitisation Regulation and in accordance with Article 9(1) of the EU Securitisation Regulation as it exists at the Closing Date, which it applies to non-securitised Receivables. In particular, the Seller has:

- (a) applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Receivables; and
- (b) effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of each Obligor's creditworthiness, taking appropriate account of factors relevant to verifying the prospect of the Obligor meeting his obligations under the related HP Agreement.

THE SELLER AND THE SERVICER

Underwriters have a credit authority limit depending on experience.

The assessment of each Obligor's creditworthiness will meet the requirements of rules 5.2A.4 and 5.2A.5 of the Consumer Credit (CONC) Sourcebook of the FCA Handbook (which rules were introduced in order to implement the requirements of Article 8 of Directive 2008/48/EC in UK domestic legislation). In particular, the assessment: (i) will be performed on the basis of sufficient information, where appropriate, obtained from the Obligor and, where necessary, on the basis of a consultation of the relevant database, and (ii) will be repeated in accordance with those requirements.

*The criterion requires consumer loans or mortgages to have been underwritten in accordance with one of two European Directives. European Directives, in contrast to Regulations, do not have direct effect but must be implemented into national law country by country.*

*PCS assumes, although the Regulation and the EBA Guidelines are silent on this point, that the requirement for mortgages and consumer loans to have been underwritten in compliance with the Directives only applies to assets underwritten after these Directives were transcribed into national law.*

**Article 20.10.** The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.

21	<p><b>STS Criteria</b></p> <p>21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, THE SELLER AND THE SERVICER.</i></p> <p>Auto receivables</p> <p>General</p> <p>Blue has originated and serviced Receivables of a similar nature to those to be included in the Portfolio since November 2014.</p>	

**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	<p><b>STS Criteria</b></p> <p>22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, GLOSSARY OF DEFINED TERMS.</i></p> <p>"Provisional Cut-Off Date" means 31 January 2023.</p> <p>"Cut-Off Date" means 28 February 2023.</p> <p>"Closing Date". means 20 April 2023</p> <p><i>PCS has assumed that any period of 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.</i></p>	
23	<p><b>STS Criteria</b></p> <p>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...</p>	<p><b>Verified?</b> YES</p>
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, DESCRIPTION OF THE PURCHASED RECEIVABLES.</i></p> <p>3. ELIGIBILITY CRITERIA</p>	

(f) The Receivable is not an exposure in default within the meaning of Article 178(1) of the UK CRR; and, to the best of the Seller’s knowledge, the Obligor related thereto is not a “credit-impaired debtor or guarantor” falling within Articles 20(11)(a), (b) or (c) of the UK Securitisation Regulation;

(g) The Receivable is not a Defaulted Receivable or a Voluntarily Terminated Receivable;

“Defaulted Receivable” means any Purchased Receivable (excluding a Disputed Receivable or any Receivable with an Outstanding Principal Balance of less than £30):

(a) in relation to which the Obligor has returned the related Vehicle and sought to terminate the relevant HP Agreement without making further monthly hire purchase payments other than in accordance with sections 99 and 100 of the CCA;

(b) in respect of which a Monthly Payment or any other payment in excess of £30 thereunder is unpaid past its due date for more than 90 days from the date specified for payment under the related HP Agreement;

(c) in relation to which the Seller (or someone on its behalf) has issued an instruction for the repossession of the related Vehicle;

(d) in relation to which the Obligor has perpetrated a fraud in entering into the relevant HP Agreement; or

(e) in relation to which, in accordance with the Seller’s Credit and Collection Procedures, it has been determined that there is no reasonable chance that the Obligor is able to pay and that any outstanding amounts will be collected (including, for the avoidance of doubt, where the Obligor is untraceable).

“Voluntarily Terminated Receivable” means a Purchased Receivable in relation to which a Voluntary Termination has been exercised.

“Voluntary Termination” means the voluntary termination of an HP Agreement by an Obligor pursuant to Section 99 of the CCA

**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.

<b>24</b>	<b>STS Criteria</b>	<b>Verified?</b>
	24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator’s or original lender’s knowledge:	<b>YES</b>
	<b>PCS Comments</b>	
	<i>See Prospectus, DESCRIPTION OF THE PURCHASED RECEIVABLES.</i>	

	3. ELIGIBILITY CRITERIA (f) The Receivable is not an exposure in default within the meaning of Article 178(1) of the UK CRR; and, to the best of the Seller's knowledge, the Obligor related thereto is not a "credit-impaired debtor or guarantor" falling within Articles 20(11)(a), (b) or (c) of the UK Securitisation Regulation;	
25	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See 24 above.</i>	
26	<b>STS Criteria</b> 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:	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See 24 above.</i>	
27	<b>STS Criteria</b> 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	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See 24 above.</i> <i>No restructured exposures included in the portfolio.</i>	
28	<b>STS Criteria</b> 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;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See 24 above.</i> <i>No restructured exposures included in the portfolio.</i>	

29	<b>STS Criteria</b> 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;	<b>Verified?</b> YES
	<b>PCS Comments</b> <i>See 24 above.</i>	
30	<b>STS Criteria</b> 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.	<b>Verified?</b> YES
	<b>PCS Comments</b> <i>See 24 above.</i>	

**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	<b>STS Criteria</b> 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.	<b>Verified?</b> YES
	<b>PCS Comments</b> <i>See Prospectus, DESCRIPTION OF THE PURCHASED RECEIVABLES.</i>  4. SELLER RECEIVABLES WARRANTIES (w) One payment: As at the Closing Date, the relevant Obligor under each related HP Agreement has made at least one full payment to the Seller,	

**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.

<b>32</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>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.</p> <p><b>PCS Comments</b></p> <p><i>See Prospectus, DESCRIPTION OF THE PURCHASED RECEIVABLES.</i></p> <p>1. THE RECEIVABLES</p> <p>The repayment of the holders of the securitisation positions has not been structured to depend predominantly on the sale of assets securing the underlying exposures. On the Closing Date, the residual value exposure to the Portfolio will be less than 50% of the principal amount on contractual maturity, as all of the HP Agreements are fully amortising with no balloon payments.</p> <p>See Prospectus, THE SELLER AND THE SERVICER.</p> <p>Finance product description</p> <p>All HP Agreements are fully amortising and do not include any guaranteed future values. Blue does not write any PCP loans.</p> <p>See Prospectus, THE SELLER AND THE SERVICER.</p> <p>Auto receivables, Residual value risk</p> <p>All HP Agreements are fully amortising. There is no contractual residual value risk arising (other than in respect of Defaulted Receivables and Voluntarily Terminated Receivables).</p>	

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

<b>33</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>33. The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.</p> <p><b>PCS Comments</b></p> <p><i>See Prospectus. RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i></p> <p>Retention statement</p> <p>The Seller, as originator, will, for as long as the Collateralised Notes are outstanding, (a) retain a material net economic interest of not less than 5% in the securitisation described in this Prospectus as required by Article 6(1) of the UK Securitisation Regulation (the "UK Retention Requirement") and (b) retain a material net economic interest of not less than 5% in</p>	

the securitisation described in this Prospectus in accordance with its contractual undertaking to comply with Article 6(1) of the EU Securitisation Regulation as it exists at the Closing Date (which undertaking may fall away in certain circumstances, as noted below) (the "EU Retention Requirement" and, together with the UK Retention Requirement, the "Retention Requirements"). As at the Closing Date and while any of the Collateralised Notes remain outstanding, such interest will be comprised of an interest of no less than 5% of the nominal value of each Class of the Collateralised Notes (the "Retained Interest") sold or transferred to Investors on the Closing Date, in accordance with Article 6(3)(a) of the UK Securitisation Regulation and Article 6(3)(a) of the EU Securitisation Regulation as it exists at the Closing Date. Prospective investors should note that the obligation of the Seller to comply with the EU Retention Requirement is strictly contractual (and subject to certain qualifications, as noted below) and the Seller has elected to comply with such requirement in its discretion. The Seller's holding of the Retained Interest will be confirmed through disclosure in the SR Investor Report. The Seller has provided an undertaking with respect to the interest to be retained by it to the Joint Lead Managers, and the Arranger in the Subscription Agreement.



**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.

<b>34</b>	<p><b><u>STS Criteria</u></b> 34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b> <i>See Prospectus, RISK FACTORS.</i></p> <p>Interest Rate Risk</p> <p>Payments in respect of the Purchased Receivables made to the Seller by an Obligor under an HP Agreement comprise monthly amounts calculated with respect to a fixed interest rate. The rate of interest payable in respect of the Notes is calculated by reference to Compounded Daily SONIA. This gives rise to interest rate risk, insofar as Compounded Daily SONIA may vary from time to time and be materially different to the applicable fixed interest rates under the HP Agreements within the Portfolio.</p> <p>The Issuer has entered into the Swap Agreement in order to mitigate this interest rate risk. The Swap Agreement consists of a 1992 ISDA Master Agreement, the associated schedule and credit support annex thereto and an interest rate swap confirmation thereunder.</p> <p>Pursuant to the terms of the Swap Agreement, on each Interest Payment Date commencing on the first Interest Payment Date, the Issuer will make fixed rate payments to the Swap Provider ("Issuer Swap Payments"), which the Issuer will fund using the Collections which it receives from the Purchased Receivables and the Reserve Funds. Such Issuer Swap Payments will be calculated by reference to (i) the Swap Notional Amount, (ii) the Swap Rate and (iii) the Day Count Fraction. Pursuant to the Swap Agreement, the Issuer will also pay to the Swap Provider (or there will be paid to the Swap Provider on the Issuer's behalf) the Swap Premium on or about the Closing Date.</p> <p>The Swap Provider will, on the corresponding Interest Payment Dates, make floating rate payments ("Swap Provider Payments") to the Issuer in an amount calculated by reference to (i) the Swap Notional Amount, (ii) Swap SONIA and (iii) the Day Count Fraction.</p> <p>The Issuer Swap Payment and the Swap Provider Payment to be made on the same Interest Payment Date will be netted against one another so as to give rise to a single payment to be made by the Issuer to the Swap Provider or by the Swap Provider to the Issuer. If the Issuer Swap Payment and the Swap Provider Payment to be made on the same Interest Payment Date are equal, then neither party will make a payment to the other on such Interest Payment Date</p> <p>See Prospectus, SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.</p> <p>8. SWAP AGREEMENT</p>	
<b>35</b>	<p><b><u>STS Criteria</u></b> 35. Currency risks arising from the securitisation shall be appropriately mitigated.</p>	<p><b><u>Verified?</u></b> <b>YES</b></p>
	<p><b><u>PCS Comments</u></b> <i>See Prospectus, DESCRIPTION OF THE PURCHASED RECEIVABLES.</i></p> <p>3. ELIGIBILITY CRITERIA</p> <p>(i) The Receivable is denominated and payable in Sterling;</p> <p>See Prospectus, CONDITIONS OF THE NOTES.</p> <p>1. Form, denomination and title</p>	

<i>Underlying assets and Notes both denominated in Sterling.</i>		
36	<p><b>STS Criteria</b></p> <p>36. Any measures taken to that effect shall be disclosed.</p>	<p><b>Verified?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, RISK FACTORS.</i></p> <p>Interest Rate Risk See Prospectus, SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.</p> <p>8. SWAP AGREEMENT <i>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.</i></p> <p><i>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.</i></p> <p><i>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:</i></p> <ul style="list-style-type: none"> <li><i>• 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.</i></li> <li><i>• 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.</i></li> <li><i>• 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.</i></li> </ul>	

**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	<p><b>STS Criteria</b></p> <p>37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...</p>	<p><b>Verified?</b></p> <p><b>YES</b></p>
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, CONDITIONS OF THE NOTES.</i></p> <p>3. Covenants</p> <p>3.2 So long as any of the Notes remains outstanding, the Issuer will not without the prior consent of the Note Trustee, unless otherwise provided by these Conditions or the Transaction Documents:</p>	

	(c) incur any financial indebtedness with respect to borrowed money or give any guarantee or indemnity in respect of any financial indebtedness or of any other obligation of any person or enter into any hedging or derivative contract except under the Notes and the Residual Certificates or pursuant to the Transaction Documents;	
38	<b>STS Criteria</b> 38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See Prospectus, THE SELLER AND THE SERVICER.</i> Other characteristics of the Purchased Receivables  The Purchased Receivables do not include: (i) any transferable securities for the purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for the purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for the purposes of Article 21(2) of the UK Securitisation Regulation, in each case on the basis that such Purchased Receivables have been entered into substantially on the terms of similar standard documentation for auto loan receivables	
39	<b>STS Criteria</b> 39. Those derivatives shall be underwritten and documented according to common standards in international finance.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See Prospectus, GLOSSARY OF DEFINED TERMS.</i>  "Swap Agreement" means the swap agreement, dated on or about the Closing Date between the Issuer and the Swap Provider, comprising the ISDA Master Agreement, the schedule thereto, the credit support annex thereto and an interest rate swap confirmation thereunder.	

**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	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See Prospectus, CONDITIONS OF THE NOTES 4 (c)</i> All Notes are based on Compounded Daily SONIA. See Prospectus, DESCRIPTION OF THE PURCHASED RECEIVABLES.  3. ELIGIBILITY CRITERIA (w) A fixed rate of interest is payable under the related HP Agreement	

<b>Article 21.4.</b> 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	<b>STS Criteria</b>	Verified? YES
	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;	
42	<b>PCS Comments</b>	Verified? YES
	See <i>Prospectus</i> , CONDITIONS OF THE NOTES. 2. Status and Security (g) Post-Acceleration Priority of Payments <i>There is no cash trapping in the transaction.</i>	
42	<b>STS Criteria</b>	Verified? YES
	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;	
43	<b>PCS Comments</b>	Verified? YES
	See <i>Prospectus</i> , CONDITIONS OF THE NOTES. 2. Status and Security (g) Post-Acceleration Priority of Payments <i>Principal is paid sequentially under post-enforcement order of priority.</i>	
43	<b>STS Criteria</b>	Verified? YES
	43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	
43	<b>PCS Comments</b>	Verified? YES
	See <i>Prospectus</i> , CONDITIONS OF THE NOTES.	

	2. Status and Security (g) Post-Acceleration Priority of Payments	
44	<b>STS Criteria</b> 44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See Prospectus, SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.</i> 9. DEED OF CHARGE No automatic liquidation For purposes of Article 21(4)(d) of the UK Securitisation Regulation, no provision of the Deed of Charge requires automatic liquidation of the Purchased Receivables upon default of the Issuer.	

**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	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>Not applicable as the Notes pay sequentially pre and post acceleration.</i> <i>See Prospectus, SUMMARY OF THE CONDITIONS OF THE NOTES AND THE RESIDUAL CERTIFICATES.</i> Pre-Acceleration Principal Priority of Payments For Class A to Class F Notes Sequential pass through redemption in accordance with the Pre-Acceleration Principal Priority of Payments. Please refer to Condition 2 (Status and Security). For Class X Notes N/A. Class X Notes are redeemed by sequential pass through redemption in accordance with the Pre-Acceleration Revenue Priority of Payments only. Please refer to Condition 2 (Status and Security) For Residual Certificates N/A	

Post -Acceleration Priority of Payments

For Class A to Class X Notes

Sequential pass through redemption in accordance with the Post-Acceleration Priority of Payments. Please refer to Condition 2 (Status and Security) and Residual Certificate Condition 2 (Status and Security).

For Residual Certificates

Entitlement to all remaining amounts (after satisfaction of items (a) to (l)) of the Post-Acceleration Priority of Payments. Please refer to Residual Certificate Condition 2 (Status and Security)

**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).

<b>46</b>	<p><b><u>STS Criteria</u></b></p> <p>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:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p>	<p><b><u>Verified?</u></b></p> <p><b>YES</b></p>
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**PCS Comments**

*Not a revolving transaction.*

<b>47</b>	<p><b><u>STS Criteria</u></b></p> <p>47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;</p>	<p><b><u>Verified?</u></b></p> <p><b>YES</b></p>
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**PCS Comments**

*See 46 above.*

48	<b>STS Criteria</b> 48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See 46 above.</i>	
49	<b>STS Criteria</b> 49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See 46 above.</i>	

**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	<b>STS Criteria</b> 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;	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See Prospectus, SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.</i> Servicing Agreement, Cash Management Agreement, Agency Agreement, Corporate Service Agreement Bank Account Agreement, Deed of Charge, Trust Deed, <i>See also underlying transaction documents.</i>	
51	<b>STS Criteria</b> 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	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See Prospectus, SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.</i> Servicing Agreement	

Upon the occurrence of any Servicer Termination Event, the Issuer and the Security Trustee will have the right to remove Blue as Servicer. If the appointment of Blue is terminated, the Issuer will (i) deliver a notice to invoke the Standby Servicer, which, upon completion of the procedures contemplated by the Standby Servicer Agreement, is expected to assume responsibility for the administration of the Purchased Receivables on the terms of the Replacement Servicing Agreement, or (ii) if there is no Standby Servicer or the Standby Servicer is for any reason unable to assume responsibility for the administration of the Purchased Receivables, subject to there being sufficient funds available for the Issuer to obtain expert assistance, use all reasonable endeavours to appoint a replacement Servicer to perform the obligations which Blue agrees to provide under the Servicing Agreement.

The appointment of the Servicer may be terminated without the occurrence of a Servicer Termination Event upon at least 6 months' prior written notice given to the Servicer by (i) (prior to the delivery of a Note Acceleration Notice or notice that the Security Trustee has taken any action to enforce the Security only) the Issuer and the Security Trustee or (ii) (after delivery of a Note Acceleration Notice or notice that the Security Trustee has taken any action to enforce the Security) the Security Trustee, provided that such notice may not be given prior to the date falling three calendar months after the Closing Date.

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**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**

See Prospectus, TRIGGERS TABLES.

RATING TRIGGERS TABLE

Account Bank and Swap Provider

See Prospectus, SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.

Bank Account Agreement and Swap Agreement

See Prospectus, CONDITIONS OF THE NOTES.

3. Covenants

3.1 So long as any of the Notes remains outstanding, the Issuer shall:

(c) at all times use its best endeavours to procure that hedging arrangements on terms substantially similar to those in the Swap Agreement are maintained by it;



**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.

<b>53</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised</p> <p><b>PCS Comments</b> <i>See Prospectus, THE SELLER AND THE SERVICER.</i></p> <p><b>Auto receivables</b> General Blue has originated and serviced Receivables of a similar nature to those to be included in the Portfolio since November 2014.</p> <p><b>Corporate information and business operations</b> All HP Agreements have been entered into by the Seller in the name of Blue Motor Finance Limited which is registered with the Financial Conduct Authority (FCA number 737682).</p>	

<b>54</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.</p> <p><b>PCS Comments</b> <i>See Prospectus, THE SELLER AND THE SERVICER.</i></p> <p>Securitisation and servicing experience Blue has been appointed by the Issuer as the Servicer under the terms of the Servicing Agreement. Blue has expertise in servicing the Portfolio and the wider Blue portfolio and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of the Portfolio and the wider Blue portfolio since November 2014, as further set out in the section entitled "Servicing and Collections" below.</p> <p>Corporate information and business operations All HP Agreements have been entered into by the Seller in the name of Blue Motor Finance Limited which is registered with the Financial Conduct Authority (FCA number 737682). <i>Additional due diligence was conducted in connection with verifying these criteria.</i></p>	

**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 Prospectus*, SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.

## 2. SERVICING AGREEMENT

For the purpose of compliance with the requirements stemming from Article 21(9) of the UK Securitisation Regulation, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, losses, charge offs, recoveries, payment deferrals and other asset performance remedies are applied (if applicable) by the Servicer in accordance with the Credit and Collection Procedures.

Servicer in accordance with the Credit and Collection Procedures

See the section THE SELLER AND THE SERVICER , Servicing and Collections

See also the Servicing Agreement

**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	<b>STS Criteria</b> 56. The transaction documentation shall clearly specify the priorities of payment,	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See Prospectus, CONDITIONS OF THE NOTES.</i> Pre-Acceleration Priority of Payments Post- Acceleration Priority of Payments Also refer to the Deed of Charge Clause 6.2, 6.3 and 7 and the Cash Management Agreement Schedule 2.	
57	<b>STS Criteria</b> 57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See Prospectus, CONDITIONS OF THE NOTES.</i> 10. Events of Default If any of the following events (each an “Event of Default”) occurs, the Note Trustee at its absolute discretion may, and, if so directed by the holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), shall, deliver a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring the Notes due and payable and each Note will accordingly become immediately due and payable, without further action or formality, at its Outstanding Note Principal Amount together with accrued interest	
58	<b>STS Criteria</b> 58. The transaction documentation shall clearly specify the obligation to report such events.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See Prospectus, CONDITIONS OF THE NOTES.</i> 10. Events of Default If any of the following events (each an “Event of Default”) occurs, the Note Trustee at its absolute discretion may, and, if so directed by the holders of at least 25% in aggregate Outstanding Note Principal Amount of the Most Senior Class of Notes or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes (subject, in each case, to the Note Trustee being indemnified and/or secured and/or prefunded to its satisfaction), shall, deliver a Note Acceleration Notice to the Issuer, the Security Trustee, the Account Bank, the Cash Manager and the Paying Agent declaring the Notes due and payable and each Note will accordingly become immediately due and payable, without further action or formality, at its Outstanding Note Principal Amount together with accrued interest:	

Upon any Note Acceleration Notice being given by the Note Trustee in accordance with the terms of this Condition 10 (Events of Default), notice to that effect will be given by the Note Trustee to all Noteholders in accordance with Condition 15 (Notices).

#### 15. Notices

All notices to the Noteholders hereunder, and in particular the notifications mentioned in Condition 10 (Events of Default), shall be delivered to Euroclear and Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to all Noteholders on the date on which such notice was delivered to Euroclear and Clearstream, Luxembourg and (so long as the relevant Notes are admitted to trading and listed on the official list of Euronext Dublin) any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcement Office of Euronext Dublin.

Any notice to the Noteholders will be validly given if transmitted individually to the address set out in the Register for such Noteholder. While any of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes are represented by a Global Note, such notice may be given to any Holder of a Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, Class F Note and Class X Note through Clearstream, Luxembourg and/or Euroclear, as the case may be, in such manner as the Registrar and Clearstream, Luxembourg and/or Euroclear, as the case may be, may approve for this purpose.

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#### **STS Criteria**

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.

**Verified?**  
**YES**

#### **PCS Comments**

*See Prospectus, CREDIT STRUCTURE AND CASHFLOW.*  
Disclosure of modifications to the Priority of Payments

Any events which trigger changes in any of the Priority of Payments and any change in any of the Priority of Payments which will materially adversely affect the repayment of the Notes and/or payments on the Residual Certificates shall be disclosed without undue delay to the extent required under Article 21(9) of the UK Securitisation Regulation.

See also Servicing Agreement, Clause 5.2 (e).

**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.

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#### **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 Prospectus, CONDITIONS OF THE NOTES.*

12. Meetings of Noteholders, amendments, waiver, substitution and exchange

(a) the method for calling meetings; as for method:

(b) the maximum timeframe for setting up a meeting:

(c) the required quorum:

(d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision:  
 (e) where applicable, a location for the meetings which should be in the UK:  
 See also the Trust Deed, Schedule 4.

**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.

<b>61</b>	<b>STS Criteria</b> 61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	<b>Verified?</b> <b>YES</b>
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**PCS Comments**

See Prospectus, SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.

9. Deed of Charge

11. Trust Deed

See underlying transaction documents: Trust Deed, Deed of Charge.

**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.

<b>62</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	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,	
	<b>PCS Comments</b> <i>See Prospectus, RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i> Article 7 and Article 22 of the UK Securitisation Regulation (a) Before pricing of the Notes, for the purpose of compliance with Article 22(1) of the UK Securitisation Regulation, the Servicer will make available to investors and potential investors information on static historical default and loss performance, for a period of at least 5 years. In this regard, see the section "PROVISIONAL PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA" of this Prospectus. See Prospectus, PROVISIONAL PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA. Historical performance data The historical performance data set out hereafter relates to the portfolio of auto receivables granted by the Seller to customers, relating to used or new vehicles. In each of the tables below, "Q1" refers to the period from 1 January to 31 March, "Q2" refers to the period from 1 April to 30 June, "Q3" refers to the period from 1 July to 30 September and "Q4" refers to the period from 1 October to 31 December. The tables and charts below were prepared on the basis of the internal records of the Seller.	
<b>63</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	
	<b>PCS Comments</b> See point 62 above.	
<b>64</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	64. Those data shall cover a period no shorter than five years.	
	<b>PCS Comments</b> See 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.

<b>65</b>	<b>STC Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>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,</p>	
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i></p> <p>Article 7 and Article 22 of the Securitisation Regulation</p> <p>(b) Article 22(2) of the UK Securitisation Regulation requires that: "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." On 12 December 2018, the European Banking Authority issued final guidelines on the STS criteria for non-ABCP securitisation stating that, for the purposes of Article 22(2) of the EU Securitisation Regulation, confirmation that this verification has occurred should be included in the offering circular or in the transaction documentation and that the confirmation that the verification has occurred should indicate which parameters have been subject to the verification and the criteria that have been applied for determining the representative sample. These guidelines existed prior to IP Completion Time, and UK regulators have indicated that they expect firms to comply with such existing EU guidelines.</p> <p>(c) Accordingly, an independent third party has performed agreed upon procedures on a sample of HP Agreements. For these purposes, a confidence level of 99% was applied. The procedures tested certain eligibility criteria as well as the consistency of data as recorded in the systems of Blue with the data as provided for in the underlying HP Agreements. The agreed upon procedures included the review of 456 loans. The characteristics of the loans which were tested included but were not limited to: Agreement Reference, Borrower Type, Borrower Post Code, Origination Date, Origination Term, Expected Maturity, Opening Balance, Loan Deposit, Interest Rate, Vehicle Make and Model, Current Outstanding Balance, Arrears Balance and Scheduled Payment Date. The independent third party has also performed agreed upon procedures on the data included in the stratification tables disclosed in respect of the underlying exposures in the section "PROVISIONAL PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA" in order to verify that such stratification tables are accurate, as well as an agreed upon procedures review of the conformity of all the HP Agreements in the Provisional Portfolio with certain of the eligibility criteria.</p> <p>(d) The independent third party undertaking the review has reported the factual findings to the parties to its engagement letters. The Seller has reviewed the reports of such independent third party and is of the view that no significant adverse findings have been found by such third party and that the data disclosed in respect of the underlying exposures is accurate. The third party undertaking the review only accepts a duty of care to the parties to its engagement letter(s) governing the performance of the agreed upon procedures and to the fullest extent permitted by law shall have no responsibility to anyone else in respect of the work it has performed or the reports it has produced save where terms are expressly agreed</p> <p><i>PCS has reviewed the draft report on "agreed upon procedures" (AUP) commonly known as a "pool audit". PCS can confirm that this was done by an appropriate and independent third party.</i></p>	

66	<b>STS Criteria</b> 66. Including verification that the data disclosed in respect of the underlying exposures is accurate.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See point 65 above.</i>	

**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	<b>STS Criteria</b> 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.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See Prospectus, RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i> Article 7 and Article 22 of the UK Securitisation Regulation.  (e) Before pricing of the Notes, for the purpose of compliance with Article 22(3) of the UK Securitisation Regulation, the Servicer will make available a cashflow liability model of the transaction on the Reporting Website which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, investors, other third parties and the Issuer. Such cashflow model will be available after the Closing Date to investors on an ongoing basis and to potential investors on request.	
68	<b>STS Criteria</b> 68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.	<b>Verified?</b> <b>YES</b>
	<b>PCS Comments</b> <i>See point 67 above.</i>	



**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).

<b>69</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
<p>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).</p>		
<p><b>PCS Comments</b></p> <p><i>See Prospectus</i>, RISK RETENTION AND SECURITISATION REGULATION REPORTING.</p> <p>Article 7 and Article 22 of the UK Securitisation Regulation</p> <p>(f) For the purpose of compliance with Article 22(4) of the UK Securitisation Regulation, the Seller confirms that, so far as it is aware, information on environmental performance of the Vehicles relating to the Purchased Receivables is not available to be reported pursuant to Article 22(4). The Servicer confirms that, once information on environmental performance of the Vehicles relating to the Purchased Receivables is available and able to be reported, it will make such information available to investors on an ongoing basis in order to comply with the requirements of Article 22(4) of the UK Securitisation Regulation.</p>		

**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.

<b>70</b>	<b>STS Criteria</b>	<b>Verified? YES</b>
<p>70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p>		
<p><b>PCS Comments</b></p> <p><i>See Prospectus</i>, LEGAL AND REGULATORY CONSIDERATIONS.</p> <p>Transparency requirements</p> <p>The originator, the sponsor and any securitisation special purpose entity of a securitisation are required to designate one of them as the “reporting entity” to fulfil the UK Securitisation Regulation and/or EU Securitisation Regulation’s reporting requirements in Article 7. Pursuant to the Cash Management Agreement, Blue and the Issuer have designated the Issuer as the reporting entity for the purposes of the Transaction. The Issuer has appointed the Servicer to perform all of the Issuer’s obligations under Article 7 of the UK Securitisation Regulation and under its contractual undertakings in respect of Article 7 of the EU Securitisation Regulation. The Seller, as the originator, is responsible for compliance with Article 7 of the UK Securitisation Regulation pursuant to Article 22(5) of the UK Securitisation Regulation.</p>		

**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	<b>STS Criteria</b>	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.	<b>Verified?</b>
			<b>YES</b>
<b>PCS Comments</b>			
<i>See Prospectus, RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i>			
Article 7 and Article 22 of the UK Securitisation Regulation			
(i) In accordance with Article 7(1)(a) and (e) of the UK Securitisation Regulation, information on the Receivables that will comprise the Portfolio will be made available before pricing of the Notes and the Residual Certificates and on a monthly basis the Servicer will make available simultaneously information on the Purchased Receivables and the SR Investor Report in accordance with the relevant regulatory technical standards (which were onshored in the UK and have been, and may continue to be amended from time to time).			

72	<b>STS Criteria</b>	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.	<b>Verified?</b>
			<b>YES</b>
<b>PCS Comments</b>			
<i>See Prospectus. RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i>			
Article 7 and Article 22 of the UK Securitisation Regulation			
(g) For the purposes of compliance with Article 22(5), Article 7(1)(b) and Article 7(1)(c) of the UK Securitisation Regulation, the Seller will make available all underlying documents required under those sections (including this prospectus), in draft or substantially final form before pricing of the Notes on the Reporting Website. Such underlying documents in final form will be available no later than 15 days after the Closing Date to investors on an ongoing basis and to potential investors on request			
(h) Before pricing of the Notes, in initial form, and on or around the Closing Date, in final form, for the purposes of compliance with Article 7(1)(d) of the UK Securitisation Regulation, Blue will make available the STS notification referred to in Article 27 of the UK Securitisation Regulation on the Reporting Website.			

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

73	<b>STS Criteria</b>	73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.	<b>Verified?</b>
			<b>YES</b>
<b>PCS Comments</b>			
<i>See Prospectus. RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i>			

Article 7 and Article 22 of the UK Securitisation Regulation

(g) For the purposes of compliance with Article 22(5) and Article 7(1)(b) of the UK Securitisation Regulation, the Seller will make available all underlying documents required under those sections in draft or substantially final form before pricing of the Notes on the Reporting Website. Such underlying documents in final form will be available no later than 15 days after the Closing Date to investors on an ongoing basis and to potential investors on request.

*This criterion speaks to 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 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.*

**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 authority 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 authority 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 Prospectus. RISK RETENTION AND SECURITISATION REGULATION REPORTING.*

Article 7 and Article 22 of the UK Securitisation Regulation.

(i) In accordance with Article 7(1)(a) and (e) of the UK Securitisation Regulation, information on the Receivables that will comprise the Portfolio will be made available before pricing of the Notes and the Residual Certificates and on a monthly basis the Servicer will make available simultaneously information on the Purchased Receivables and the SR Investor Report in accordance with the relevant regulatory technical standards (which were onshored in the UK and have been, and may continue to be amended from time to time).

The Servicer (on behalf of the Seller as the originator for the purposes of the UK Securitisation Regulation) will make the information referred to above available to the holders of any of the Notes or the Residual Certificates, relevant competent authorities and, upon request, to potential investors in the Notes and the Residual Certificates. Any documents provided in draft form are subject to amendment and completion without notice

*All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under 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 authority 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 Prospectus.* RISK RETENTION AND SECURITISATION REGULATION REPORTING.

Article 7 and Article 22 of the UK Securitisation Regulation

(g) For the purposes of compliance with Article 22(5) and Article 7(1)(b) of the UK Securitisation Regulation, the Seller will make available all underlying documents required under those sections in draft or substantially final form before pricing of the Notes on the Reporting Website. Such underlying documents in final form will be available no later than 15 days after the Closing Date to investors on an ongoing basis and to potential investors on request.

*All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.*

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

<b>76</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;	
	<b>PCS Comments</b>	
	<i>See the underlying transaction documents: Deed of Charge and Trust Deed.</i>	

**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 authority referred to in Article 29 and, upon request, to potential investors:

(c) where section 85 of the 2000 Act (prohibition of dealing etc in transferable securities without approved prospectus) and rules made by the FCA for the purposes of Part 6 of the 2000 Act (official listing)<sup>1</sup> do not require a prospectus to be drawn up, 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;

<b>77</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	77. (c) where section 85 of the 2000 Act (prohibition of dealing etc in transferable securities without approved prospectus) and rules made by the FCA for the purposes of Part 6 of the 2000 Act (official listing) do not require a prospectus to be drawn up, a transaction summary or overview of the main features of the securitisation, including, where applicable:	
	<b>PCS Comments</b>	
	<i>The Prospectus serves as a transaction summary for the purposes of this transaction.</i>	

<sup>1</sup> These are "prospectus rules"; see section 73A of the Financial Services and Markets Act 2000 (Part 6 Rules), inserted by S.I. 2005/381

**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 authority 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;

<b>78</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;	
	<b>PCS Comments</b>	
	<i>See Prospectus, RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i>	
	Article 7 and Article 22 of the UK Securitisation Regulation	
	(h) Before pricing of the Notes, in initial form, and on or around the Closing Date, in final form, for the purposes of compliance with Article 7(1)(d) of the UK Securitisation Regulation, Blue will make available the STS notification referred to in Article 27 of the UK Securitisation Regulation on the Reporting Website.	
	<i>All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i>	

**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 authority 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.

<b>79</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	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.	
	<b>PCS Comments</b>	
	<i>See Prospectus, EU RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i>	
	Article 7 and Article 22 of the Securitisation Regulation	

(i) In accordance with Article 7(1)(a) and (e) of the UK Securitisation Regulation, information on the Receivables that will comprise the Portfolio will be made available before pricing of the Notes and the Residual Certificates and on a monthly basis the Servicer will make available simultaneously information on the Purchased Receivables and the SR Investor Report in accordance with the relevant regulatory technical standards (which were onshored in the UK and have been, and may continue to be amended from time to time).

*All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under 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 authority 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;

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**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 point 89 above.*

*See Prospectus, RISK RETENTION AND SECURITISATION REGULATION REPORTING.*

Retention statement.

*All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under 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 authority 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 authority has 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:

- (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 the competent authority has taken remedial or administrative actions;
- (v) any material amendment to transaction documents.

**Verified?  
YES**

**PCS Comments**

*See Prospectus, RISK RETENTION AND SECURITISATION REGULATION REPORTING.*

Reporting under the Securitisation Regulation

(c) without delay, if an event occurs which constitutes inside information that the Issuer would be obliged to make public in accordance with Article 17 of UK MAR or that is a significant event (for the purposes of Article 7(1)(g) of the UK Securitisation Regulation), the SR Inside Information Report setting out details of such inside information or significant event in the form of the template set out in Annex XIV (Inside Information or Significant Event Information – Non-Asset Backed Commercial Paper Securitisation) of the UKSR RTS Delegated Regulation pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the UK Securitisation Regulation.

Article 7 and Article 22 of the UK Securitisation Regulation

(j) For the purposes of Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the disclosure obligations thereunder, the Servicer will, without delay, publish inside information or information in respect of any significant event such as (i) a material breach of the obligations laid down in the Transaction Documents, (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 transaction or the Purchased Receivables that can materially impact the performance of the securitisation, (iv) if the transaction ceases to meet the STS requirements or if competent authorities have taken remedial or administrative actions and (v) any material amendments to the Transaction Documents.

*All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under 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]

<b>82</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>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]</p>	
	<p><b>PCS Comments</b></p> <p><i>See Prospectus. RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i></p> <p>Article 7 and Article 22 of the UK Securitisation Regulation</p> <p>(i) In accordance with Article 7(1)(a) and (e) of the UK Securitisation Regulation, information on the Receivables that will comprise the Portfolio will be made available before pricing of the Notes and the Residual Certificates and on a monthly basis the Servicer will make available simultaneously information on the Purchased Receivables and the SR Investor Report in accordance with the relevant regulatory technical standards (which were onshored in the UK and have been, and may continue to be amended from time to time).</p> <p><i>All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i></p>	

**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 United Kingdom 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.

The Competent authority shall be able to request the provision of such confidential information to them in order to fulfil their duties under this Regulation.

<b>83</b>	<b>STS Criteria</b>	<b>Verified?</b> <b>YES</b>
	<p>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</p>	
	<p><b>PCS Comments</b></p> <p><i>See Prospectus, RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i></p> <p>Reporting under the Securitisation Regulation</p> <p>(c) without delay, if an event occurs which constitutes inside information that the Issuer would be obliged to make public in accordance with Article 17 of UK MAR or that is a significant event (for the purposes of Article 7(1)(g) of the UK Securitisation Regulation), the SR Inside Information Report setting out details of such inside information or significant event in the form of the template set out in Annex XIV (Inside Information or Significant Event Information – Non-Asset Backed Commercial Paper Securitisation) of the UKSR RTS Delegated Regulation pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the UK Securitisation Regulation.</p> <p><i>See Prospectus, RISK RETENTION AND SECURITISATION REGULATION REPORTING.</i></p> <p>Article 7 and Article 22 of the Securitisation Regulation</p>	

(j) For the purposes of Article 7(1)(f) and/or Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the disclosure obligations thereunder, the Servicer will, without delay, publish inside information or information in respect of any significant event such as (i) a material breach of the obligations laid down in the Transaction Documents, (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 transaction or the Purchased Receivables that can materially impact the performance of the securitisation, (iv) if the transaction ceases to meet the STS requirements or if competent authorities have taken remedial or administrative actions and (v) any material amendments to the Transaction Documents.

*All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under 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 for which section 85 of the 2000 Act and rules made by the FCA for the purposes of Part 6 of the 2000 Act do not require a prospectus to be drawn up

#### 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 Prospectus, GLOSSARY OF DEFINED TERMS.*

"Reporting Website" means the website of the Securitisation Repository, being <https://www.euroabs.com/IH.aspx?d=18074> and/or <https://www.secrep.co.uk/> on the Closing Date.

Securitisation Repository : EuroABS Limited , SecRep Limited

*All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under 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 Prospectus, LEGAL AND REGULATORY CONSIDERATIONS.

Transparency requirements

The originator, the sponsor and any securitisation special purpose entity of a securitisation are required to designate one of them as the “reporting entity” to fulfil the UK Securitisation Regulation and/or EU Securitisation Regulation’s reporting requirements in Article 7. Pursuant to the Cash Management Agreement, Blue and the Issuer have designated the Issuer as the reporting entity for the purposes of the Transaction. The Issuer has appointed the Servicer to perform all of the Issuer’s obligations under Article 7 of the UK Securitisation Regulation and under its contractual undertakings in respect of Article 7 of the EU Securitisation Regulation. The Seller, as the originator, is responsible for compliance with Article 7 of the UK Securitisation Regulation pursuant to Article 22(5) of the UK Securitisation Regulation.

*See Prospectus, GLOSSARY OF DEFINED TERMS*

“Reporting Website” means the website of the Securitisation Repository, being <https://www.euroabs.com/IH.aspx?d=18074> and/or <https://www.secrep.co.uk/> on the Closing Date.

*All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS’ comment under point 73 above.*