

STS Term Verification Checklist

Exmoor Funding 2024-1 PLC



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

12th June 2024

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This is the STS Term Verification 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 Verification 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 Verification 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.

12th June 2024

STS Disclaimer

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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	Robert Leach
Date of Verification	12 June 2024
The transaction to be verified (the "Transaction")	Exmoor Funding 2024-1 PLC
Issuer	Exmoor Funding 2024-1 PLC
Originator	LiveMore Investments Limited
Lead Manager(s)	Citigroup Global Markets Limited, Jefferies International Limited
Transaction Legal Counsel	Linklaters LLP
Rating Agencies	Moody's, S&P
Stock Exchange	Irish Stock Exchange
Closing Date	12 June 2024

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

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

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

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

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

1	<p><u>STS Criteria</u></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>	<u>Verified?</u> YES
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Mortgage Sale Agreement</p> <p>Portfolio</p> <p>Under a mortgage sale agreement to be entered into on or around the Closing Date between, amongst others, the Seller, the Legal Title Holder, the Issuer, the Security Trustee and the Servicer (the "Mortgage Sale Agreement"), the Seller shall in consideration for payment of the Initial Purchase Price and the issuance and payment under the Residual Certificates as detailed below:</p> <p>(a) on the Closing Date, sell, assign or otherwise transfer to the Issuer pursuant to the Mortgage Sale Agreement a portfolio of English and Welsh residential mortgage loans each secured by an English Mortgage and, where applicable, other Collateral Security; (the "English Mortgage Loans")</p> <p>(b) sell to the Issuer pursuant to the Mortgage Sale Agreement and hold the portfolio of Scottish residential mortgage loans each secured by a Scottish Mortgage and, where applicable, other Collateral Security (the "Scottish Mortgage Loans") on trust under a Scottish Declaration of Trust for the benefit of the Issuer.</p> <p>On any Further Purchase Date the Seller shall, in consideration of the Ported Mortgage Loan Consideration, sell Ported Mortgage Loans which may be sold as either an English Mortgage Loan or a Scottish Mortgage Loan (as applicable).</p> <p>The English Mortgage Loans and their Collateral Security comprising the Portfolio will be assigned by way of equitable assignment to the Issuer, while the Scottish Mortgage Loans and their Collateral Security comprising the Portfolio will be held on trust for the Issuer under each Scottish Declaration of Trust. The Mortgage Loans and Collateral Security and all monies derived therefrom from time to time are referred to herein as the "Portfolio".</p> <p>See Prospectus, <i>The Mortgage Loans</i>.</p> <p>Characteristics of the Mortgage Loans</p> <p>Title to the Portfolio</p> <p>Pursuant to and under the terms of the Mortgage Sale Agreement, the Seller will transfer to the Issuer the equitable or (in respect of the Scottish Mortgage Loans) beneficial title to the Mortgage Loans and their Collateral Security. In the case of the Scottish Mortgage Loans, this will involve the Seller requesting that the Legal Title Holder enters into a Scottish Declaration of Trust in favour of the Issuer. The Legal Title Holder has agreed to transfer legal title to the Mortgage Loans and the Collateral Security to the Issuer, and the Issuer has undertaken to seek the transfer of legal title, only following the occurrence of a Perfection Event (as set out below).</p> <p>None of the above-mentioned transfers to the Issuer is to be completed by registration at the Land Registry or the Registers of Scotland (as the case may be) or notice given to the relevant Borrowers or (in relation to Scottish Mortgage Loans in the Portfolio and their Collateral Security) execution and delivery of assignments of such Mortgage Loans and Collateral Security until the occurrence of one of the events set out below. The English Mortgage Loans in the Portfolio and their Collateral Security are accordingly owned in equity only by the Issuer pending such registration and notification and the Scottish Mortgage Loans in the Portfolio and their Collateral Security are accordingly held on trust for the Issuer under each Scottish Declaration of Trust pending execution and delivery of such assignments and such registration and notification. Legal title in the Mortgage Loans and their</p>	

Collateral Security will continue to be vested in the Legal Title Holder until the occurrence of a Perfection Event. In the case of the Mortgage Loans secured over registered land in England or Wales or registered or recorded land in Scotland which will be transferred to the Issuer on the Closing Date, the Legal Title Holder has agreed to remain on the Land Registry or the Registers of Scotland, as applicable, as the legal mortgagee or as heritable creditor, as applicable. Following the occurrence of a Perfection Event, the Legal Title Holder has agreed, in the Mortgage Sale Agreement, to transfer legal title to the Issuer, which transfer will be perfected by steps including filing forms and assignments of Standard Securities at the Land Registry or the Registers of Scotland and notifying the Borrower of such transfer, as applicable, to the Issuer.

See Prospectus, *RISK FACTORS*.

Risks relating to the underlying assets

The Legal Title Holder to initially retain legal title to the Mortgage Loans and risks relating to set-off

The sale by the Seller to the Issuer of the English Mortgage Loans and their Collateral Security (until legal title is conveyed) takes effect in equity only.

The sale by the Seller to the Issuer of the Scottish Mortgage Loans and their Collateral Security is given effect to by a Scots law governed declaration of trust by the Legal Title Holder for the benefit of the Issuer (a "Scottish Declaration of Trust"). The holding of a beneficial interest under a Scottish trust has (broadly) equivalent legal consequences in Scotland to the holding of an equitable interest in England and Wales. In each case, this means that legal title to the Mortgage Loans and their Collateral Security in the Portfolio will remain with the Legal Title Holder until certain trigger events occur under the terms of the Mortgage Sale Agreement (see "Summary of the Key Transaction Documents–Mortgage Sale Agreement"). Until such time, the assignment by the Seller to the Issuer of the English and Welsh Mortgage Loans and their Collateral Security takes effect in equity only and the Scottish Mortgage Loans in the Portfolio and their Collateral Security are accordingly held on trust for the Issuer. The Issuer has not and will not apply to the Land Registry to register or record its equitable interest in the English and Welsh Mortgages and will not apply to the General Register of Sasines or Land Register of Scotland (as appropriate) (together the "Registers of Scotland") to register or record its beneficial interest in the Scottish Mortgages pursuant to a Scottish Declaration of Trust.

"True sale" is not a legal concept but a rating agency creation.

The essence of a "true sale" is that the property in the securitised assets has legally moved from the originator/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".

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

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

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

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

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.

The legal opinion from Linklaters and Shepherd and Wedderburn confirm that an equitable assignment and a Scottish assignment of the beneficial interest meets the definition of “true sale” outlined above..

In the case of the seller, 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.

2	STS Criteria	Verified?
	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.	YES
PCS Comments		
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.

3	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>40 Each Mortgage Loan was originated by the Legal Title Holder in the ordinary course of business pursuant to underwriting standards that are no less stringent than those the Legal Title Holder applied at the time of origination to similar exposures that are not included in the Portfolio.</p> <p>1 Immediately prior to the sale of the relevant Mortgage Loans and their related Collateral Security, the Seller was the absolute beneficial owner of the Mortgage Loans, the Collateral Security and the other property to be assigned and transferred by the Seller to the Issuer pursuant to the Mortgage Sale Agreement (or, in relation to a Scottish Mortgage Loan, its related Collateral Security and other related property to be assigned and transferred, has an unencumbered right to call for the beneficial interest therein to be transferred to it or its nominee).</p> <p>8 In relation to each English Mortgage Loan the Borrower has, or will on registration of the Borrower’s acquisition of the Mortgaged Property have, a good and marketable title to, and absolute unencumbered legal and beneficial ownership of, the relevant Mortgaged Property and in relation to each Scottish Mortgage Loan the Borrower has, or will on registration of the Borrower’s acquisition of the Mortgaged Property have, a valid and marketable heritable or long lease title to, and absolute unencumbered legal and beneficial ownership of, the relevant Mortgaged Property (in each case, subject to any prior encumbrances that are permitted pursuant to the loan terms, the Lending Criteria and noted in initial variations).;</p>	

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 affect such perfection shall, at least include the following events:

- (a) severe deterioration in the seller credit quality standing;
- (b) insolvency of the seller; and
- (c) unremedied breaches of contractual obligations by the seller, including the seller's default.

4 **STS Criteria**

Verified?
YES

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.

PCS Comments

See Prospectus, *Non-Rating Triggers Table*.

Perfection Events:

Prior to the completion of the transfer of legal title of the Mortgage Loans to the Issuer, the Issuer will be subject to certain risks as set out in the risk factor entitled "The Legal Title Holder to initially retain legal title to the Mortgage Loans and risks relating to set-off" in the section entitled "Risks relating to the underlying assets". Completion of transfer of the legal title of the Mortgage Loans by the Legal Title Holder to the Issuer will be completed after the earliest to occur of the following:

- (a) the occurrence of an Insolvency Event in relation to the Legal Title Holder or the Seller;
- (b) the Legal Title Holder being required to perfect legal title to the Mortgage Loans (i) by law; (ii) by an order of a court of competent jurisdiction; or (iii) by a regulatory authority which has jurisdiction over the Legal Title Holder;
- (c) the Legal Title Holder calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee;
- (d) the occurrence of a Servicer Termination Event where no replacement servicer has been appointed in accordance with the Servicing Deed;
- (e) the Legal Title Holder or the Seller defaults in the performance or observance on any of its covenants or obligations under the Transaction Documents, and the Servicer does not remedy that failure within 30 Business Days after the earlier of the Legal Title Holder becoming aware of the failure or of receipt by the Legal Title Holder of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee requiring the Legal Title Holder's non-compliance to be remedied
- (f) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Security Trustee (acting reasonably), in jeopardy;
- (g) the delivery of an Enforcement Notice by the Note Trustee on the Issuer;
- (h) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Mortgage Loan or its Collateral Security in the Portfolio; or
- (i) a Severe Deterioration Event in respect of the Legal Title Holder or the Seller.

See Prospectus, *Summary of the Key Transaction Documents*.

Mortgage Sale Agreement

Title to the Mortgages, Registration and Notifications

The completion of the transfer or, in the case of Scottish Mortgage Loans and their Collateral Security, assignation, of the Mortgage Loans and their Collateral Security (and, where appropriate, their registration or recording) to the Issuer is, save in the limited circumstances referred to below, deferred. Legal title to the Mortgage Loans and their Collateral Security therefore remains with the Legal Title Holder until the occurrence of a Perfection Event. Notice of the sale of the Mortgage Loans and their Collateral Security to the Issuer will not be given to any Borrower until the occurrence of a Perfection Event.

The transfers to the Issuer will be completed by or on behalf of the Legal Title Holder after any of the following Perfection Events occurs:

- (a) the occurrence of an Insolvency Event occurring in relation to the Legal Title Holder or the Seller; or
 - (b) the Legal Title Holder being required to perfect legal title to the Mortgage Loans (i) by law; (ii) by an order of a court of competent jurisdiction; or (iii) by a regulatory authority which has jurisdiction over the Legal Title Holder; or
 - (c) the Legal Title Holder calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
 - (d) the occurrence of a Servicer Termination Event where a replacement servicer has been appointed in accordance with the provisions of the Servicing Deed; or
 - (e) the Legal Title Holder or the Seller defaults in the performance or observance on any of its covenants or obligations under the Transaction Documents, and the Servicer does not remedy that failure within 30 Business Days after the earlier of the Legal Title Holder or the Seller (as applicable) becoming aware of the failure or of receipt by the Legal Title Holder or the Seller (as applicable) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee requiring the Legal Title Holder's or the Seller's (as applicable) non-compliance to be remedied; or
 - (f) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Security Trustee (acting reasonably), in jeopardy; or
 - (g) the delivery of an Enforcement Notice by the Note Trustee on the Issuer; or
 - (h) it becoming unlawful in any applicable jurisdiction for the Legal Title Holder to hold legal title in respect of any Mortgage Loan or its Collateral Security in the Portfolio; or
 - (i) a Severe Deterioration Event in respect of the Legal Title Holder or Seller,
- (each of the events set out in paragraphs (a) to (i) above inclusive being a "Perfection Event").

See Prospectus,

"Severe Deterioration Event" means all or any part of the property, business, undertakings, assets or revenues of the Legal Title Holder or the Seller having an aggregate value in excess of 20 per cent. of the same having been attached as a result of any distress, execution or diligence being levied or any encumbrancer taking possession or similar attachment and such attachment having not been lifted within 30 days.

See also Prospectus,

Non-Rating Triggers Table

Perfection Events:

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.

The trigger provided in the Transaction meets these requirements.

20.5(b) The insolvency trigger is in the Transaction.

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.

The unremedied breach trigger is in the Transaction.

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

5	STS Criteria	Verified? YES
	<p>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.</p> <p>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>1 Immediately prior to the sale of the relevant Mortgage Loans and their related Collateral Security, the Seller was the absolute beneficial owner of the Mortgage Loans, the Collateral Security and the other property to be assigned and transferred by the Seller to the Issuer pursuant to the Mortgage Sale Agreement (or, in relation to a Scottish Mortgage Loan, its related Collateral Security and other related property to be assigned and transferred, has an unencumbered right to call for the beneficial interest therein to be transferred to it or its nominee).</p> <p>8 In relation to each English Mortgage Loan the Borrower has, or will on registration of the Borrower’s acquisition of the Mortgaged Property have, a good and marketable title to, and absolute unencumbered legal and beneficial ownership of, the relevant Mortgaged Property and in relation to each Scottish Mortgage Loan the Borrower has, or will on registration of the Borrower’s acquisition of the Mortgaged Property have, a valid and marketable heritable or long lease title to, and absolute unencumbered legal and beneficial ownership of, the relevant Mortgaged Property (in each case, subject to any prior encumbrances that are permitted pursuant to the loan terms, the Lending Criteria and noted in initial variations).;</p>	

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

6	STS Criteria	Verified? YES
	<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>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On each Purchase Date, the Loan Warranties (described below in this “Representations and Warranties” section) will be given by the Seller and the Legal Title Holder in respect of the Mortgage Loans and their Collateral Security originated by the Seller and the Legal Title Holder to the Issuer on that day.</p>	

The warranties that will be given to the Issuer and the Security Trustee by the Seller and the Legal Title Holder pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include: [...]

The EBA Guidelines clarify that "clear" does not mean easily readable or comprehended by a non-expert. In the Regulation a criterion is "clear" when a court or tribunal could determine whether, presumably in all cases, the criterion is met for each asset. In the Regulation, "clear" is about certainty of determination.

PCS has read the eligibility criteria in the Prospectus. As they are mandatory, they meet the "predetermined" requirement. As they are in the Prospectus, they meet the "documented" requirement. PCS has also concluded that they allow determination in each case and so meet the "clear" requirement.

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STS Criteria

7. Which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management.

**Verified?
YES**

PCS Comments

See Prospectus, *Transaction Overview–Portfolio and Servicing*.

Repurchase of the Mortgage Loans and Collateral Security:

The Seller shall be liable for the repurchase of the relevant Mortgage Loans and their Collateral Security in the following circumstances:

- upon a material breach of any Loan Warranties (which the Seller or the Legal Title Holder fails to remedy within the agreed grace period); or
- where the Legal Title Holder has determined that it will consent to a Further Mortgage Advance; or
- upon making a Product Switch.

In all such cases the repurchase of the relevant Mortgage Loan shall occur on the Interest Payment Date immediately following the date of the breach of Loan Warranty (subject to any applicable grace period), Further Mortgage Advance or Product Switch, as applicable.

See Prospectus, *Summary of the Key Transaction Documents*.

Mortgage Sale Agreement

Repurchase by the Seller

The Seller will agree to be liable for the repurchase of any Mortgage Loan and its Collateral Security sold by the Seller pursuant to the Mortgage Sale Agreement if (i) any Loan Warranty made by the Seller or the Legal Title Holder in relation to that Mortgage Loan and/or its Collateral Security proves to be materially untrue as at the Closing Date, and that default has not been remedied within 45 calendar days in accordance with the Mortgage Sale Agreement (ii) the Legal Title Holder grants a Further Mortgage Advance or Product Switch in respect of a Mortgage Loan (see Further Mortgage Advances, Product Switches and Porting" below).

Any Mortgage Loans and their Collateral Security will be required to be repurchased following receipt by the Seller of a loan repurchase notice substantially in the form set out in and delivered in accordance with the Mortgage Sale Agreement (a "Mortgage Loan Repurchase Notice") requiring the Seller to repurchase the relevant Mortgage Loan and its Collateral Security in accordance with the terms of the Mortgage Sale Agreement.

The Seller or the Legal Title Holder must, pursuant to the terms of the Mortgage Sale Agreement, notify the Issuer and the Security Trustee of any breach of a Loan Warranty as soon as the Seller or the Legal Title Holder becomes aware of such breach.

Repurchase price

The consideration payable by the Seller in respect of the repurchase of an affected Mortgage Loan and its Collateral Security shall be a cash payment such that cash payment amount is equal to the Principal Balance of the relevant Mortgage Loans (excluding Collection Costs) (excluding Collection Costs) as at the date of repurchase together with accrued but unpaid interest in that month up to and including the date falling immediately prior to the repurchase date, together with an amount equal to all other non-interest amounts due and unpaid (but not capitalised) under such Mortgage Loans.

The EBA Guidelines set out seven devices to repurchase securitised assets which are not to be considered indicative of "active portfolio management". To the extent that a transaction only contains some or all of those seven devices and does not provide any other form of repurchase, then the STS criterion will be met. If the transaction should contain a repurchase device that is not included in the EBA's list, then an analysis will need to be conducted as to whether this additional device offends against the principles set out in the EBA Guidelines (15.a and b) as defining "active portfolio management". PCS has reviewed the repurchase devices set out in the Prospectus they are within the allowable repurchase devices.

8

STS Criteria

8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.

**Verified?
YES**

PCS Comments

See Prospectus, *Summary of the Key Transaction Documents*.

Mortgage Sale Agreement

Representations and Warranties

On each Purchase Date, the Loan Warranties (described below in this "Representations and Warranties" section) will be given by the Seller and the Legal Title Holder in respect of the Mortgage Loans and their Collateral Security originated by the Seller and the Legal Title Holder to the Issuer on that day.

The warranties that will be given to the Issuer and the Security Trustee by the Seller and the Legal Title Holder pursuant to the Mortgage Sale Agreement (the "Loan Warranties") include: [...]

"Purchase Date" means:

- (a) in relation to the Completion Portfolio, the Closing Date or such earlier date as the Seller and the Issuer may agree; and
- (b) in relation to any Ported Mortgage Loan, the Further Purchase Date for that Ported Mortgage Loan

See Prospectus, See Prospectus, *Summary of the Key Transaction Documents*.

Mortgage Sale Agreement

- (c) Porting

Under the Mortgage Conditions of certain of the Mortgage Loans, upon the application of a Borrower, the Legal Title-Holder may grant to such Borrower a loan on substantially the same commercial terms as the existing Mortgage Loan between the Legal Title-Holder and the Borrower but such new loan will be secured by a new mortgage on a different property to that on which the Mortgage with respect to the Mortgage Loan was secured. The "portable" feature of the Mortgage Loan as set out in the Mortgage Conditions allows a Borrower to redeem its existing Mortgage Loan and thereafter enter into a new loan on substantially similar commercial terms with respect to a different property and is designed to be used where a Borrower wishes to sell the property that the Mortgage Loan is secured on and purchase a new property.

Where a Mortgage Loan is subject to a Port it will be redeemed in full, immediately following which the Seller may sell the Ported Mortgage Loan and its Collateral Security to the Issuer on a Further Purchase Date. The sale and purchase of any Ported Mortgage Loans shall be subject to the Ported Mortgage Loans complying with the Ported Mortgage Loan Criteria on the relevant Further Purchase Date. Promptly following the occurrence of a Further Purchase Date, the Seller and the Issuer shall deliver to the NoteSecurity Trustee a

confirmation of the Ported Mortgage Loans purchased by the Issuer on or following the occurrence of such Further Purchase Date. Where a Port has been agreed in accordance with the terms of the Servicing Deed, the Mortgage Sale Agreement and relevant Mortgage Conditions, then (i) the Servicer (to the extent required) is authorised by the Legal Title Holder and the Issuer to debit the Collection Account and (ii) the Cash Administrator (to the extent required) is authorised by the Legal Title Holder and the Issuer to debit the Deposit Account to apply such amount (as applicable) as payment on behalf of the Issuer of the Ported Mortgage Loan Consideration payable on such Further Purchase Date

"Ported Mortgage Loan Criteria" means:

- (a) no Enforcement Notice has been given by the Security Trustee which remains in effect;
- (b) the Loan Warranties are true in respect of the Ported Mortgage Loan
- (c) there are no deficiency records in the Class F Principal Deficiency Sub-Ledger;
- (d) the Liquidity Reserve Fund is funded to the Liquidity Reserve Fund Required Level on the immediately preceding Interest Payment Date;
- (e) the existing Mortgage Loan was originated at least 3 months prior to the time the Ported Mortgage Loan was made;
- (f) the Original LTV of the Ported Mortgage Loan is not higher than the Current LTV of the existing Mortgage Loan;
- (g) the Principal Balance of the Ported Mortgage Loan is not higher than the Principal Balance of the existing Mortgage Loan immediately prior to Porting;
- (h) the repayment terms of each Ported Mortgage Loan is substantially the same as the repayment terms of the existing Mortgage Loan and the interest rate on the Ported Mortgage Loan is at least the same as the existing Mortgage Loan;
- (i) the provision, by each of the Legal Title Holder and the Seller of solvency certificates, dated as of the Further Purchase Date, signed by an authorised officer of the relevant company;
- (j) no Event of Default under (and as defined in) Condition 11 (Events of Default) of the Notes having occurred and having been notified to the Note Trustee or any Servicer Termination Event having occurred which, in any such case, is continuing on the Further Purchase Date;
- (k) the Further Purchase Date is a Business Day;
- (l) in respect of each Ported Mortgage Loan to be acquired on the relevant Further Purchase Date the inclusion of such Ported Mortgage Loan in the Portfolio will not affect the homogeneity (as determined in accordance with Article 20(8) of the UK Securitisation Regulation) of the Mortgage Loans comprising the Portfolio;

The transaction is not structured with a revolving period.

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

9	STS Criteria	Verified? YES
	<p>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.</p> <p>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Homogeneity</p> <p>The Mortgage Loans comprised in the Provisional Portfolio as at the Portfolio Reference Date are homogeneous for the purposes of Article 20(8) of the UK Securitisation Regulation, on the basis that all such Mortgage Loans: (i) have been underwritten by the Legal Title Holder in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential borrower's credit risk; (ii) are serviced by the Servicer pursuant to the Servicing Deed in accordance with the same servicing procedures with respect to monitoring, collections and administration of cash receivables generated from such Mortgage Loans (iii) are all first charge mortgage loans; and (iv) form one asset category, namely residential loans secured with one or several mortgages or standard securities on residential immovable property in England, Wales and Scotland.</p> <p>The Mortgage Loans comprised in the Portfolio as at the Portfolio Reference Date 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) derivatives for the purposes of article 21(2) of the UK Securitisation Regulation. Any Ported Mortgage Loans included in the Portfolio following the Closing Date will 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) derivatives for the purposes of article 21(2) of the UK Securitisation Regulation.</p> <p>See Prospectus, <i>The Mortgage Loans</i>.</p> <p>Characteristics of the Mortgage Loans</p> <p>Early repayments of principal may be made in whole or in part at any time during the term of a Mortgage Loan (including Standard Interest-only Mortgage Loans and Retirement Interest only Mortgage Loans), subject to certain conditions including where appropriate to the payment of any early repayment charges (as described in "Overpayments and Early Repayment Charges" below). An early repayment of the entire outstanding balance of a Mortgage Loan discharges the Mortgage. Any early repayment of the principal amount of the Mortgage Loan in full must be made together with all accrued interest, arrears of interest, any unpaid fees and charges and any applicable repayment fee(s).</p> <p>As with Standard Interest-only Mortgage Loans and Standard Repayment Mortgage Loans, for Retirement Interest Only, the primary obligation is on the Borrower(s) to repay the loan. Repayment options include, but are not necessarily limited to; refinancing with the Legal Title Holder or another lender, repayment using the Borrower(s)' own financial resources or sale of the underlying property. In addition, in the event of default by the Borrower(s), the Legal Title Holder has recourse to the Borrower(s) or in the event of death of the Borrower(s) to their estate.</p> <p><i>PCS relied on certain due diligence materials on the product ranges, origination and servicing as well as historical data including historical proxy data.</i></p>	

10	<p>STS Criteria</p> <p>10. The underlying exposures shall contain obligations that are contractually binding and enforceable.</p>	<p>Verified?</p> <p>YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>3 The Mortgage Loan Conditions and the Mortgage Loan Agreement for each Mortgage Loan and its related Mortgage and the related Collateral Security constitute a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms and is non-cancellable (except that (a) enforceability may be limited by (i) bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the courts' discretion in relation to equitable remedies; (ii) the UTCCR or the Consumer Rights Act 2015 insofar as they relate to any obligation in the Mortgage Loan other than the obligation to pay interest and principal; or (iii) fraud and (b) no warranty is given in relation to any obligation of the Borrower to pay early repayment charges, administration fees, exit fees or other fees or charges or charges payable in the event of Borrower default) and each such related Mortgage and the related Collateral Security secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower to the Legal Title Holder under the relevant Mortgage Loan in priority to any other charges registered against the relevant Mortgaged Property provided that nothing in this paragraph constitutes a representation or a warranty as to the sufficiency of such Property as security for indebtedness secured on it.</p>	
11	<p>STS Criteria</p> <p>11. With full recourse to debtors and, where applicable, guarantors.</p>	<p>Verified?</p> <p>YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>27 The Legal Title Holder has full recourse to the Borrower under the relevant Mortgage Loan and no lien or right of set off or counterclaim has been created or arisen between the Legal Title Holder and any Borrower which would entitle such Borrower to reduce the amount of any payment otherwise due under the relevant Mortgage Loan Conditions and the Mortgage Loan Agreement.</p>	
<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.</p>		
12	<p>STS Criteria</p> <p>12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.</p>	<p>Verified?</p> <p>YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p>	

Mortgage Sale Agreement

Representations and Warranties

46 All Mortgage Loans are either Standard Interest-only Mortgage Loans, Standard Repayment Mortgage Loans or Retirement Interest-only Mortgage Loans.

See Prospectus, *The Mortgage Loans*.

Characteristics of the Mortgage Loans

Repayment Terms

Mortgage Loans may combine one or more of the features listed in this section. Overpayments are allowed on all products, although a fee may be charged. See “Overpayments and Early Repayment Charges” below.

Mortgage Loans are typically repayable on one of the following bases:

- “Standard Repayment Mortgage Loan”: the Borrower is required to make monthly payments of both interest and principal so that, when the Mortgage Loan matures, the entire outstanding amount of the principal of the Mortgage Loan will have been repaid; or
- “Standard Interest-only Mortgage Loan”: the Borrower is required to make monthly payments of interest but not of principal so that, when the Mortgage Loan matures, the entire outstanding principal amount of the Mortgage Loan is payable in one lump sum.
- “Retirement Interest Only Mortgage Loan”: the Borrower is required to make monthly payments of interest but not of principal so that, when i) the security property is sold ii) death of the last remaining Borrower, or iii) the last Borrower moves to long-term care, the entire outstanding principal amount of the Mortgage Loan is payable in one lump sum.

The required monthly payment in respect of the Mortgage Loans may alter from month to month as a result of, inter alia, a variation in interest rates following the end of the fixed rate period, a rescheduling of the Mortgage Loan following the receipt of principal prepayment that has been allocated to the relevant Mortgage Loan, or following the provision of some types of forbearance.

13 **STS Criteria**

13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.

Verified?
YES

PCS Comments

See point 12 above.

See Prospectus, *Summary of the Key Transaction Documents*.

Mortgage Sale Agreement

“Collateral Security” means, in relation to each Mortgage Loan, all charges and securities by way of legal mortgage or Standard Security (and any other collateral security therefor, including, without limitation, any guarantee, any insurance policies in respect of which the interest of the Issuer may be given effect to by way of co-insurance or the notifying of the Issuer’s interest and any other assignment, assignation, notification or deposit which may be effected in connection with the securing of the relevant Mortgage Loan together with any documentation incidental to the protection of the Issuer and any documents affecting the ability of the Issuer to realise the value of the property charged to it to which the Issuer is or shall become beneficially entitled).

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	Verified? YES
	<p>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.</p> <p>PCS Comments</p> <p>See Prospectus, <i>The Mortgage Loans</i>.</p> <p>The Mortgage Loans comprised in the Portfolio as at the Portfolio Reference Date 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) derivatives for the purposes of article 21(2) of the UK Securitisation Regulation. Any Ported Mortgage Loans included in the Portfolio following the Closing Date will 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) derivatives for the purposes of article 21(2) of the UK Securitisation Regulation.</p>	

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

15	STS Criteria	Verified? YES
	<p>15. The underlying exposures shall not include any securitisation position.</p> <p>PCS Comments</p> <p>See point 14 above.</p>	

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

16	STS Criteria	Verified? YES
	<p>16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.</p> <p>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p>	

	40 Each Mortgage Loan was originated by the Legal Title Holder in the ordinary course of business pursuant to underwriting standards that are no less stringent than those the Legal Title Holder applied at the time of origination to similar exposures that are not included in the Portfolio.	
17	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>40 Each Mortgage Loan was originated by the Legal Title Holder in the ordinary course of business pursuant to underwriting standards that are no less stringent than those the Legal Title Holder applied at the time of origination to similar exposures that are not included in the Portfolio.</p>	

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	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p><i>The transaction is not structured with a revolving period.</i></p> <p><i>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 FCA and the STS status of the securitisation will be lost.</i></p> <p><i>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.</i></p>	

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	<u>STS Criteria</u> 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.	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, <i>Summary of the Key Transaction Documents</i> . Mortgage Sale Agreement Representations and Warranties 36 No Mortgage Loan is a Self-Certified Mortgage Loan. See Prospectus, <i>Certain Regulatory Requirements</i> . UK Securitisation Regulation and EU Securitisation Regulation Transparency and reporting No self-certified Mortgage Loans The UK Securitisation Regulation provides for a ban on the securitisation of residential mortgage loans made after 20 March 2014, which had been marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided by the loan applicant might not be verified by the lender ("Self-Certified Mortgage Loans"). The Seller has represented in the Mortgage Sale Agreement that none of the Mortgage Loans in the Portfolio are Self-Certified Mortgage Loans.	

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	<u>STS Criteria</u> 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.	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, <i>Summary of the Key Transaction Documents</i> . Mortgage Sale Agreement Representations and Warranties	

38 The Legal Title Holder has applied the same sound and well-defined credit-granting criteria for the Mortgage Loans as it has applied to equivalent mortgage loans originated by the Legal Title Holder that are not part of the Portfolio. In particular:

(a) the Legal Title Holder has applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing Mortgage Loans as it has applied to equivalent mortgage loans that are not part of the Portfolio; and

(b) the Legal Title Holder has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the Borrower's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Borrower meeting his obligations under the relevant mortgage loan agreement.

See Prospectus, *Certain Regulatory Requirements*.

UK Securitisation Regulation and EU Securitisation Regulation

Transparency and reporting

Credit granting standards

The Seller has represented in the Mortgage Sale Agreement that in respect of the Mortgage Loans (i) the criteria applied by it in the credit-granting for the Mortgage Loans were as sound and well-defined as the criteria applied to mortgage loans advanced by it but not securitised and the same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Mortgage Loans have been and will be applied; and (ii) it has effective systems in place to apply those criteria and processes to ensure that (in the manner described in the next paragraph below) the Mortgage Loans have been granted based on a thorough assessment of each Borrower's creditworthiness (taking appropriate account of factors relevant to verifying the prospect of the Borrower meeting his/her obligations under each relevant Mortgage Loan Agreement).

For these purposes, 'thorough assessment of each obligor's creditworthiness' refers to the assessment and verification by the Legal Title Holder (acting in accordance with the standards of a Prudent Mortgage Lender) of the prospect of the relevant Borrower meeting his/her obligations under the relevant Mortgage Loan, being in relation to the payment of any amounts due under the relevant Mortgage Loan, an assessment of the Borrower's income, expenditure (where applicable), credit history and identification and other relevant checks in each case, solely to the extent required by and in accordance with the Legal Title Holder's Lending Policy at the relevant time.

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	<u>STS Criteria</u>	<u>Verified?</u>
	21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	YES
<u>PCS Comments</u>		
See Prospectus, The Originator, the Servicer and the Legal Title Holder		

At least two of the members of the management body of the LiveMore Group have relevant professional experience in the origination and servicing of exposures similar to those of the Mortgage Loans, at a personal level, of at least five years. Additionally, senior staff, other than members of the management body, who are responsible for managing the LiveMore Group's origination and servicing of the Mortgage Loans, have relevant professional experience in the origination and servicing of exposures of a similar nature to the Mortgage Loans, at a personal level, of at least five years.

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>STS Criteria</p> <p>22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus.</p> <p>Issue Date</p> <p>The Issuer will issue the Notes in the classes set out above and the Residual Certificates on or about 12 June 2024 (the "Closing Date").</p> <p>See Prospectus, <i>Transaction Overview–Portfolio and Servicing</i>.</p> <p>"Cut-Off Date" means 31 March 2024.</p> <p>See Prospectus, <i>The Mortgage Loans</i>.</p> <p>The Portfolio</p> <p>The Closing Date Portfolio to be sold to the Issuer on the Closing Date will remove any mortgage loans that are no longer eligible or have been redeemed in full as at the Closing Date, and will include any eligible Mortgage Loans that completed between the Portfolio Reference Date and the date up to (and including) 14 calendar days after the Cut-Off Date ("the "Subsequent Cut-Off Date").</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>STS Criteria</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>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>50 No Mortgage Loan is considered by the Seller as being in "default" within the meaning of (i) Article 178(1) of Regulation (EU) No.575/2013 (the "EU CRR"), as further specified by the Delegated Regulation on the materiality threshold for credit obligations past due developed in accordance with Article 178 of the EU CRR and by the European Banking Authority</p>	

Guidelines on the application of the definition of default developed in accordance with Article 178(7) of the EU CRR and (ii) Article 178(1) of EU CRR as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRR").

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

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

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

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

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

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

24	<u>STS Criteria</u>	<u>Verified?</u>
	24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:	YES
<u>PCS Comments</u>		
See Prospectus, <i>Summary of the Key Transaction Documents</i> .		
Mortgage Sale Agreement		
Representations and Warranties		
35 No Mortgage Loan, to the best of the Seller or the Legal Title-Holder's knowledge, is a Mortgage Loan to a Borrower who is a "credit-impaired debtor" as described in Article 20(11) of the UK Securitisation Regulation, and, in accordance with any official guidance issued in relation thereto.		
25	<u>STS Criteria</u>	<u>Verified?</u>
	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.	YES
<u>PCS Comments</u>		
See point 24 above.		
The Prospectus indicates that any CCJs within the last three years prior to origination were in aggregate less than £500 for each mortgage loan.		

26	STS Criteria 26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:	Verified? YES
	PCS Comments <i>See point 24 above.</i>	
27	STS Criteria 27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and	Verified? YES
	PCS Comments <i>See point 24 above.</i>	
28	STS Criteria 28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;	Verified? YES
	PCS Comments <i>See point 24 above.</i>	
29	STS Criteria 29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;	Verified? YES
	PCS Comments <i>See point 24 above.</i>	
30	STS Criteria 30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.	Verified? YES
	PCS Comments <i>See point 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	<u>STS Criteria</u> 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.	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, <i>Summary of the Key Transaction Documents</i> . Mortgage Sale Agreement Representations and Warranties 47 At least one contractual monthly instalment due (i) in respect of each Mortgage Loan other than a Ported Mortgage Loan was paid by the relevant Borrower or (ii) in respect of each Ported Mortgage Loan, was paid by the relevant Borrower under the existing Mortgage Loan prior to entering into the related Ported Mortgage Loan.	

Article 20.13. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures. This shall not prevent such assets from being subsequently rolled-over or refinanced.
The repayment of the holders of the securitisation positions whose underlying exposures are secured by assets the value of which is guaranteed or fully mitigated by a repurchase obligation by the seller of the assets securing the underlying exposures or by another third party shall not be considered to depend on the sale of assets securing those underlying exposures.

32	<u>STS Criteria</u> 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.	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, <i>The Mortgage Loans</i> . Characteristics of the Mortgage Loans Early repayments of principal may be made in whole or in part at any time during the term of a Mortgage Loan (including Standard Interest-only Mortgage Loans and Retirement Interest only Mortgage Loans), subject to certain conditions including where appropriate to the payment of any early repayment charges (as described in "Overpayments and Early Repayment Charges" below). An early repayment of the entire outstanding balance of a Mortgage Loan discharges the Mortgage. Any early repayment of the principal amount of the Mortgage Loan in full must be made together with all accrued interest, arrears of interest, any unpaid fees and charges and any applicable repayment fee(s). As with Standard Interest-only Mortgage Loans and Standard Repayment Mortgage Loans, for Retirement Interest Only, the primary obligation is on the Borrower(s) to repay the loan. Repayment options include, but are not necessarily limited to; refinancing with the Legal Title Holder or another lender, repayment using the Borrower(s)' own financial resources or sale of the underlying property. In addition, in the event of default by the Borrower(s), the Legal Title Holder has recourse to the Borrower(s) or in the event of death of the Borrower(s) to their estate.	

Although there was some uncertainty over the status of interest-only mortgages, this has been definitively cleared up by the EBA Guidelines specific statement that this criterion was not designed to capture these products. Accordingly, none of the assets in the pool display any predominant reliance on the sale of the assets. PCS relied on certain due diligence materials related to the product ranges.

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

33	STS Criteria	Verified? YES
33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.		
PCS Comments		
See Prospectus, <i>Certain Regulatory Requirements</i> .		
UK and EU Risk Retention		
Save as described in the paragraph below in respect of the EU Retention Requirement, the Seller, as originator for the purposes of (i) the UK Securitisation Regulation and (ii) the EU Securitisation Regulation as if it were applicable to the Seller (the "Retention Holder"), will on an ongoing basis collectively retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with (i) Article 6(1) of the UK Securitisation Regulation (the "UK Retention Requirement") and (ii) Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation), and in the case of (ii) only, not taking into account any relevant national measures, as if it were applicable to the Seller, but solely as such articles are interpreted and applied on the Closing Date (the "EU Retention Requirement" and, together with the UK Retention Requirement, the "Retention Requirements"). As at the Closing Date, such interest will comprise the Seller holding no less than 5 per cent. of the nominal value of each Class of Notes (the Seller holding an interest in respect of each such Class of Notes in proportion to the total securitised exposures for which the Legal Title Holder is the originator) in accordance with the text of (i) Article 6(3)(a) of the UK Securitisation Regulation (the "UK Retained Interest") and (ii) Article 6(3)(a) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation), and in the case of (ii) only, not taking into account any relevant national measures, as if it were applicable to the Seller, but solely as such articles are interpreted and applied on the Closing Date (the "EU Retained Interest" and together with the UK Retained Interest, the "Retained Interest").		

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.

34	STS Criteria	Verified? YES
34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.		
PCS Comments		
See <i>RISK FACTORS</i> .		
Swap Provider and Interest Rate Risk		
The Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of the Mortgage Loans and the rate of interest payable in respect of the Notes. 100 per cent. by Principal Balance of the Mortgage Loans in the Portfolio pay or will pay a fixed rate of interest for a specific period of time (the "Fixed Rate Loans"). However, the Issuer's liabilities under the Rated Notes are based on Compounded Daily SONIA for the relevant period.		
To provide a hedge against the possible variance between:		
(a) the fixed rates of interest payable on the Fixed Rate Loans in the Portfolio; and		
(b) the rate of interest under the Rated Notes being calculated by reference to Compounded Daily SONIA,		

the Issuer will enter into a swap transaction (the "Swap Transaction") with the Swap Provider under the Swap Agreement on the Closing Date (see "Credit Structure–Interest Rate Risk for the Notes").

See Prospectus, *Credit Structure*.

6 Interest Rate Risk for the Notes

Swap Agreement

On or about the Closing Date, the Issuer and the Swap Provider will enter into the ISDA Master Agreement, schedule, credit support annex and confirmation (as amended or supplemented from time to time) relating to the Swap Transaction (the "Swap Agreement"). Except for the purpose of hedging interest rate risk, the Issuer will not enter into any derivative contracts for the purposes of Article 21(2) of the UK Securitisation Regulation.

"ISDA Master Agreement" means the 2002 ISDA Master Agreement, as published by the International Swaps and Derivatives Association.

Swap Transaction

Some of the Mortgage Loans in the Portfolio pay or will pay a fixed rate of interest for a period of time. However, the Issuer's liabilities under the Notes are based on Compounded Daily SONIA for the relevant period.

To provide a hedge against the possible variance between:

- (a) the fixed rates of interest payable on the Fixed Rate Loans in the Portfolio (but, for the avoidance of doubt, excluding Fixed Rate Loans from the date on which the interest rate applicable in respect thereof becomes a variable interest rate); and
- (b) the floating rate of interest payable on the Notes,

the Issuer will enter into the Swap Transaction with the Swap Provider under the Swap Agreement on the Closing Date.

See Prospectus, *Transaction Overview–Credit Structure and Cashflow*.

Swap Agreement:

Payments received by the Issuer under certain of the Mortgage Loans will be subject to fixed rates of interest for an initial period of time. The interest amounts payable by the Issuer in respect of the Rated Notes will be calculated by reference to Compounded Daily SONIA. To hedge against the potential variance between the fixed rates of interest received on certain of the Mortgage Loans in the Portfolio and the rate of interest payable on the Rated Notes, the Issuer will enter into the Swap Transaction with the Swap Provider under the Swap Agreement. (see the section "Credit Structure–Interest Rate Risk for the Notes" for further details).

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

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

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

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

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

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

Information provided in the transaction documents indicate that interest rate risk has been appropriately mitigated.

35	<p><u>STS Criteria</u></p> <p>35. Currency risks arising from the securitisation shall be appropriately mitigated.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>Terms and Conditions of the Notes</i>.</p> <p>3 Form, Denomination and Title</p> <p>3.1 Form and Denomination</p> <p>For so long as the Notes are represented by Global Notes, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in the minimum nominal amount of £100,000 and higher integral multiples of £1,000, notwithstanding that no Registered Definitive Notes (as defined below) will be issued with a denomination above £199,000.</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>29 Each Mortgage Loan was originated by the Legal Title Holder in Sterling and is denominated in Sterling and is currently repayable in Sterling.</p> <p><i>Both assets and liabilities are denominated in Sterling.</i></p>	
36	<p><u>STS Criteria</u></p> <p>36. Any measures taken to that effect shall be disclosed.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See also point 34 above.</p> <p>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.</p>	

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

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

- A statement in the Prospectus or other document setting out the boundary conditions of the hedging. This should state in effect how far the hedging stretches and under what scenario's it will break. For example, if interbank rates rise above X%. This will provide a common-sense feel for whether, at first glance, the hedging is reasonable.
- Risk Factors section of the prospectus to check that no statements refer to the risks of "unhedged positions". This is based on the legal requirement to disclose any relevant information to investors. If the originator or its advisers believed that the hedging in a transaction was unusually light, this should be disclosed in the Risk Section.
- The "pre-sale" report from a recognised credit rating agency (if used) so as to identify any issues with hedging. Again, rating agencies as credit specialists should highlight in their analysis any substantial and unusual hedging risks.

Information provided in the transaction documents indicate that interest rate risk has been appropriately mitigated.

Article 21.2. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives.

Those derivatives shall be underwritten and documented according to common standards in international finance.

37	STS Criteria	Verified? YES
	37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...	
	PCS Comments	
	See Prospectus, <i>Credit Structure</i> . 6 Interest Rate Risk for the Notes [...] Except for the purpose of hedging interest rate risk, the Issuer will not enter into any derivative contracts for the purposes of Article 21(2) of the UK Securitisation Regulation.	
38	STS Criteria	Verified? YES
	38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	
	PCS Comments	
	See Prospectus, <i>The Mortgage Loans</i> . The Mortgage Loans comprised in the Portfolio as at the Portfolio Reference Date 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) derivatives for the purposes of article 21(2) of the UK Securitisation Regulation. Any Ported Mortgage Loans included in the Portfolio following the Closing Date will 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) derivatives for the purposes of article 21(2) of the UK Securitisation Regulation.	

39	<u>STS Criteria</u> 39. Those derivatives shall be underwritten and documented according to common standards in international finance.	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, <i>Credit Structure</i> . 6 Interest Rate Risk for the Notes Swap Agreement On or about the Closing Date, the Issuer and the Swap Provider will enter into the ISDA Master Agreement, schedule, credit support annex and confirmation (as amended or supplemented from time to time) relating to the Swap Transaction (the "Swap Agreement"). "ISDA Master Agreement" means the 2002 ISDA Master Agreement, as published by the International Swaps and Derivatives Association.	

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	<u>STS Criteria</u> 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.	<u>Verified?</u> YES
	<u>PCS Comments</u> <i>Liabilities</i> See Prospectus, <i>Transaction Overview–Summary of the Terms and Conditions of the Notes</i> . Reference Rate Compounded Daily SONIA (<i>for all Notes</i>) <i>Assets</i> See Prospectus, <i>The Mortgage Loans</i> The Portfolio Interest Rate Types The Portfolio consists of Mortgage Loans where the interest rate applicable to that Mortgage Loan is a fixed rate of interest for a specified period from (and including) the date of advance of the relevant Mortgage Loan to the Borrower (the "Fixed Rate Period"). Following the Fixed Rate Period, the interest rate that applies to the Mortgage Loans is the LiveMore Variable Rate plus a fixed margin (together the "Reversionary Rate"). There may be some Standard Interest Only Mortgage Loans, or Standard Repayment Mortgage Loans in the Portfolio that have a Fixed Rate Period equal to the term of the relevant Mortgage Loan. Additionally, there may be some Retirement Interest Only Mortgage Loans that have Fixed Rate Period for the life of the Mortgage Loan (together the "Fixed For Life	

Loans”). In these instances, the Reversionary Rate would not apply over any period of the relevant Mortgage Loan. As at the date of this Prospectus, interest charged on the Mortgage Loans is calculated on a daily basis and debited to the Mortgage Loan on the monthly payment date.

The LiveMore Variable Rate is reset quarterly on 15th January, 15th April, 15th July and 15th October. If the date is not a Business day, the rate will be reset on the preceding Business Day. Any change to the rate becomes effective the Business Day following the date on which it is reset. On each reset date, the Legal Title Holder reviews and may reset the LiveMore Variable Rate in response to one or more of the following factors:

- (i) a change in the reference rate since the last review;
- (ii) a change or expected change in the Legal Title Holder’s costs of funding the Mortgage Loans since the last review;
- (iii) changes in technology or systems the Legal Title Holder uses that cause costs to change; and
- (iv) where a change in the laws or regulations that apply to the Legal Title Holder require a change to the rate or cause our costs to change.

In the event of a change relating to (i), (ii) or (iii) above, the LiveMore Variable Rate will never be reset to more than 1.00% above the reference rate at the time of review.

The reference rate is the 3 months historic compounded daily SONIA rate published by the Bank of England, rounded up to 2 decimal places.

Article 21.4. Where an enforcement or an acceleration notice has been delivered:

- (a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;
- (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;
- (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and
- (d) No provisions shall require automatic liquidation of the underlying exposures at market value.

41	<p>STS Criteria</p> <p>41. Where an enforcement or an acceleration notice has been delivered:</p> <p>(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;</p>	<p><u>Verified?</u> YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>Transaction Overview–Credit Structure and Cashflow</i>.</p> <p>Post-Enforcement Priority of Payments</p> <p><i>The post-acceleration priority of payments indicates that no cash is trapped.</i></p>	

42	STS Criteria 42. (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;	Verified? YES
	PCS Comments See Prospectus, <i>Transaction Overview–Credit Structure and Cashflow</i> . Post-Enforcement Priority of Payments <i>Principal is paid sequentially under post-enforcement order of priority.</i>	
43	STS Criteria 43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	Verified? YES
	PCS Comments See Prospectus, <i>Transaction Overview–Credit Structure and Cashflow</i> . Post-Enforcement Priority of Payments <i>The priority of payments post-enforcement maintains repayment in line with seniority.</i>	
44	STS Criteria 44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.	Verified? YES
	PCS Comments See Prospectus, Terms and Conditions of the Notes 12 Enforcement 12.1 General Each of the Note Trustee and the Security Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Residual Certificates, the Trust Deed (including these Conditions or the Residual Certificates Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such proceedings, actions or steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless: (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or directed in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes; and (b) in all cases, it shall have been indemnified and/or prefunded and/or secured to its satisfaction. 12.2 Limitations on Enforcement	

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	<u>STS Criteria</u> 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.	<u>Verified?</u> YES
	<u>PCS Comments</u> <i>Not applicable – the transaction does not feature non-sequential priority pr payments.</i>	

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

- (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;
- (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;
- (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);
- (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).

46	<u>STS Criteria</u> 46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following: (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;	<u>Verified?</u> YES
	<u>PCS Comments</u> <i>Not applicable – transaction does not feature a revolving period.</i>	
47	<u>STS Criteria</u> 47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;	<u>Verified?</u> YES
	<u>PCS Comments</u> <i>Not applicable – transaction does not feature a revolving period.</i>	

48	STS Criteria 48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);	Verified? YES
	PCS Comments <i>Not applicable – transaction does not feature a revolving period.</i>	
49	STS Criteria 49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).	Verified? YES
	PCS Comments <i>Not applicable – transaction does not feature a revolving period.</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	STS Criteria 50. The transaction documentation shall clearly specify: (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;	Verified? YES
	PCS Comments See Prospectus, <i>Summary of the Key Transaction Documents</i> . Servicing Deed, Deed of Charge, Trust Deed, Agency Agreement, Cash Administration Agreement, The Bank Account Agreement, The Corporate Services Agreement See also underlying transaction documents, Agency Agreement, Bank Account Agreement, Cash Management Agreement, Corporate Services Agreement, Deed of Charge, Servicing Deed, Trust Deed. <i>The obligations of the service providers, including servicer and trustee, are detailed in the transaction documentation.</i>	

51	<p>STS Criteria</p> <p>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</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>Summary of the Key Transaction Documents</i>.</p> <p>Servicing Deed</p> <p>Removal or Resignation of the Servicer</p> <p>The Issuer (with the written consent of the Security Trustee) and/or (after the delivery of an Enforcement Notice) the Security Trustee itself may, at once or at any time thereafter while such event continues, by notice in writing to the Servicer (with a copy to the Security Trustee and the Replacement Servicer Facilitator), terminate the Servicer's appointments under the Servicing Deed if any of the following events (each a "Servicer Termination Event") occurs and is continuing in relation to the Servicer, provided that the Servicer's appointment shall not be terminated until a replacement servicer (the "Replacement Servicer") has been appointed:</p> <p>Upon and following the termination of the appointment of the Servicer as servicer under the Servicing Deed:</p> <p>(a) the Issuer and the Replacement Servicer Facilitator, shall use its reasonable endeavours to procure the appointment by the Issuer and the Legal Title Holder of a Replacement Servicer which satisfies the conditions set out in the Servicing Deed; [...]</p> <p>See Prospectus, <i>Transaction Overview–Portfolio and Servicing</i>.</p> <p>Replacement Servicer Facilitator:</p> <p>The Replacement Servicer Facilitator will agree to promptly, on a default by the Servicer, use its reasonable endeavours to identify (on behalf of the Issuer) a suitable replacement servicer (as the case may be) to act as replacement servicer.</p> <p>See underlying transaction documents: Servicing Deed.</p> <p>23 Termination</p> <p>24 Exit and Service Transfer</p> <p>25 Events Following Notice of Termination</p> <p><i>The transaction documents specify the processes and responsibilities that enable the replacement of the servicer in an event of default or insolvency of the servicer.</i></p>	
52	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>Transaction Overview–Triggers Tables</i>.</p> <p>Rating Triggers Table</p>	

Issuer Account Bank:

If the Issuer Account Bank fails to maintain any of the Account Bank Ratings, then the Issuer (with the assistance of the Cash Administrator) shall, within 60 calendar days of such downgrade by Moody's and/or S&P:

- (a) close the Issuer Accounts with such Issuer Account Bank and use all reasonable endeavours to open replacement accounts with a financial institution (i) having the Account Bank Ratings and (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or
 - (b) use all reasonable endeavours to obtain a guarantee of the obligations of such Issuer Account Bank under the Bank Account Agreement from a financial institution which has the Account Bank Ratings; or
 - (c) take any other reasonable action as the Rating Agencies may agree will not result in a downgrade of the Rated Notes,
- in each case as prescribed in the Bank Account Agreement and transfer amounts standing to the credit of relevant Issuer Accounts and all Ledgers on the relevant Issuer Accounts to the replacement Issuer Accounts.

Collection Account Bank:

If the rating of the Collection Account Bank falls below the Collection Account Bank Rating and there exists a financial institution having a rating of at least the Collection Account Bank Rating and which is a bank as defined in Section 991 of the Income Tax Act 2007, the Servicer shall assist the Legal Title Holder (or any other entity which may then hold legal title to the Mortgage Loans and their Collateral Security), and the Legal Title Holder (or any other entity which may then hold legal title to the Mortgage Loans and their Collateral Security) shall, as soon as reasonably practicable (such time period to be not more than 60 calendar days) following such occurrence:

- (a) open a replacement collection account in the name of the Legal Title Holder with a financial institution:
 - (i) having a rating of at least the Collection Account Bank Rating;
 - (ii) approved in writing by the Issuer and the Security Trustee; and
 - (iii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or
- (b) obtain an unconditional and unlimited guarantee of the obligations of the Collection Account Bank from a financial institution having the Collection Account Bank Rating; or take any other action as the Rating Agencies may agree will not result in a downgrade of the Rated Notes.

See Prospectus, *Summary of the Key Transaction Documents*.

The Issuer, the Servicer and Pepper (UK) Limited (the "Delegated Servicer") will, on the Closing Date, enter into a continuing servicing agreement (the "Continuing Servicing Agreement") pursuant to which, in the event of a Servicer Termination Event occurring, provision is made for the Issuer and the Delegated Servicer to use reasonable commercial efforts to enter into a replacement servicing agreement upon terms materially consistent with those applicable to the Servicing Agreement, and subject to the payment of a project fee to be agreed at the time.

See underlying transaction documents.

Bank Account Agreement

9 Termination

See Prospectus, Transaction Overview–Triggers Tables.

Rating Triggers Table

Swap Provider or the guarantor of the Swap Provider:

See Prospectus, *Credit Structure*.

6 Interest Rate Risk for the Notes

Swap Transaction

[...]

The Issuer will use its reasonable endeavours, upon termination of the Swap Agreement, to find a replacement Swap Provider although no guarantees that such replacement will be found can be given.

The transaction documents clearly specify the provision for replacement of derivative counterparties and the account bank in the case of their default, insolvency or other events.

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

53

STS Criteria

53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised

Verified?

YES

PCS Comments

See Prospectus, *The Originator, the Servicer and the Legal Title Holder*.

At least two of the members of the management body of the LiveMore Group have relevant professional experience in the origination and servicing of exposures similar to those of the Mortgage Loans, at a personal level, of at least five years. Additionally, senior staff, other than members of the management body, who are responsible for managing the LiveMore Group's origination and servicing of the Mortgage Loans, have relevant professional experience in the origination and servicing of exposures of a similar nature to the Mortgage Loans, at a personal level, of at least five years.

LMC delegates day to day servicing of completed Mortgage Loans to Pepper (UK) Limited.

See Prospectus,

Servicing of the Portfolio:

The Servicer agrees to service the Mortgage Loans to be sold to the Issuer and their Collateral Security on behalf of the Issuer and, where applicable, the Legal Title Holder. Following the service of an Enforcement Notice, the Servicer shall act at the direction of the Security Trustee.

On the Closing Date, the Servicer shall delegate the performance of the Services under the Servicing Deed to Pepper (UK) Limited.

See Prospectus, *RISK FACTORS*.

5 Counterparty Risk

The Servicer

	LMC has been appointed by the Issuer as the Servicer to service the Mortgage Loans originated by it. Day to day management of the Mortgage Loans has been delegated by the Servicer to the Delegated Servicer, Pepper (UK) Limited.	
54	STS Criteria	Verified? YES
	<p>54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.</p> <p>PCS Comments</p> <p>See Prospectus, <i>Portfolio and Servicing</i>.</p> <p>Servicing of the Portfolio:</p> <p>On the Closing Date, the Servicer shall delegate the performance of the Services under the Servicing Deed to Pepper (UK) Limited.</p> <p>The Servicer has well documented and adequate policies, procedures and risk management controls relating to the servicing of similar exposures to those being securitised.</p> <p>See Prospectus, <i>The Originator, the Servicer and the Legal Title Holder</i>.</p> <p>LMC delegates day to day servicing of completed Mortgage Loans to Pepper (UK) Limited.</p> <p><i>Day-to-day servicing is delegated to Pepper UK. Pepper a servicer ranked by S&P.</i></p> <p><i>Due diligence materials were received in connections with this point.</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	Verified? YES
	<p>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.</p> <p>PCS Comments</p> <p>See Prospectus, <i>The Mortgage Loans</i>.</p> <p>Characteristics of the Mortgage Loans</p> <p>Forbearance</p> <p>Lending Criteria</p> <p>Enforcement Procedures</p> <p>See Prospectus, <i>RISK FACTORS</i>.</p> <p>Risks relating to the underlying assets</p>	

Borrower Requested Payment Holidays
See Prospectus, *Transaction Overview–Portfolio and Servicing*.
Further Mortgage Advances, Porting and Product Switches
See also underlying transaction documents, Servicing Deed.
Schedule 1 & 2

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	<p><u>STS Criteria</u> 56. The transaction documentation shall clearly specify the priorities of payment,</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u> See Prospectus, <i>Transaction Overview–Credit Structure and Cashflow</i>. Pre-Enforcement Revenue Priority of Payments Pre-Enforcement Principal Priority of Payments Post-Enforcement Priority of Payments See Prospectus, <i>Cashflows</i>. Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer Distributions following the service of an Enforcement Notice on the Issuer See also underlying transaction documents, Cash Administration Agreement, Deed of Charge.</p>	
57	<p><u>STS Criteria</u> 57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u> See Prospectus, <i>Terms and Conditions of the Notes</i>. 11 Events of Default See Prospectus, <i>Cashflows</i>. Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer</p>	

	Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer Distributions following the service of an Enforcement Notice on the Issue	
58	STS Criteria 58. The transaction documentation shall clearly specify the obligation to report such events.	Verified? YES
	PCS Comments See Prospectus. UK Simple Transparent and Standardised Securitisation Any events which trigger changes in any Priority of Payments and any change in any Priority of Payment which will materially adversely affect the repayment of the Notes shall be disclosed without undue delay to the extent required under Article 21(9) of the UK Securitisation Regulation.	
59	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. UK Simple Transparent and Standardised Securitisation Any events which trigger changes in any Priority of Payments and any change in any Priority of Payment which will materially adversely affect the repayment of the Notes shall be disclosed without undue delay to the extent required under Article 21(9) of the UK Securitisation Regulation.	
Article 21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.		
60	STS Criteria 60. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders	Verified? YES
	PCS Comments See Prospectus, <i>Transaction Overview–Rights of Noteholders and Certificateholders and Relationship with other Secured Creditors</i> . Prior to an Event of Default: Following an Event of Default: Noteholders and Certificateholders Meeting provisions:	

Notice period:

Quorum for Ordinary Resolution:

Quorum for Extraordinary Resolution (other than a Basic Terms Modification):

Quorum for Extraordinary Resolution to approve a Basic Terms Modification:

Required majority for Ordinary Resolution:

Required majority for Extraordinary Resolution:

Required majority for a written resolution:

See Prospectus, *Terms and Conditions of the Notes*.

13 Meetings of Noteholders, Modification, Waiver and Substitution

See Prospectus, *Terms and Conditions of the Residual Certificates*.

12 Meetings of Certificateholders, Modification, Waiver and Substitution

See Underlying transactions documents, Trust Deed.

Schedule 7

Provisions for Meetings/Consents of Noteholders and Certificateholders

1 Definitions

Although the wording of the Regulation as to what constitutes the “facilitation of timely resolution of conflicts” is very vague, the EBA Guidelines have helpfully set out the five minimum requirements that the documents should contain to meet this criterion.

(a) the method for calling meetings; as for method: Trust Deed, 4 Convening of Meetings and Initiating Requests for Consent or Direction; (b) the maximum timeframe for setting up a meeting: Trust Deed, 4 Convening of Meetings and Initiating Requests for Consent or Direction; (c) the required quorum: Trust Deed, 5 Quorum; (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision: Prospectus, Noteholders and Certificateholders Meeting provisions: Required majority for Ordinary Resolution;, Required majority for Extraordinary Resolution;, Required majority for a written resolution: (e) where applicable, a location for the meetings which should be in the UK: Trust Deed, 4 Convening of Meetings and Initiating Requests for Consent or Direction.

Article 21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.

61	<u>STS Criteria</u> 61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, <i>Summary of the Key Transaction Documents</i> . Servicing Deed, Deed of Charge, Trust Deed, Agency Agreement, Cash Administration Agreement, The Bank Account Agreement, The Corporate Services Agreement 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.

62	STS Criteria 62. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,	Verified? YES
	PCS Comments See Prospectus, <i>Characteristics of the Provisional Portfolio</i> . Static and dynamic historical performance data in respect of comparable loans in relation to loans originated by the Legal Title Holder was made available prior to pricing of the Notes on the Reporting Websites and covers the period from 2017 to 2023. See Prospectus, <i>General Information</i> . Securitisation Regulation Reporting UK Securitisation Regulation Reporting 23 The Reporting Entity will procure that: (d) data on static and dynamic historical default and loss performance required under Article 22(1) of the UK Securitisation Regulation is made available prior to the pricing date of the Notes; and See Prospectus, <i>Transaction Overview – Rights of Noteholders and Certificateholders and Relationship with other Secured Creditors</i> . Provision of Information to the Noteholders and Certificateholders: Information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 and Article 22(5) of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation (as if it were applicable to the Seller) was made available by means of the Reporting Websites.	
63	STS Criteria 63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	Verified? YES
	PCS Comments See comment 62 above.	
64	STS Criteria 64. Those data shall cover a period no shorter than five years.	Verified? YES
	PCS Comments See comment 62 above.	

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

65	STS Criteria 65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,	Verified? YES
	PCS Comments <p>The Mortgage Loans The Portfolio Introduction</p> <p>The Provisional Portfolio has been subject to (i) an agreed upon procedures review on a sample of loans selected from the Provisional Portfolio and (ii) a verification of the conformity of the Mortgage Loans in the Provisional Portfolio with the Loan Warranties that were able to be tested conducted by a third-party and completed on or about 2 April 2024 with respect to the Provisional Portfolio in existence as of 31 January 2024 and no significant adverse findings have been found. This independent third party has also performed agreed upon procedures in order to verify that the stratification tables disclosed in respect of the underlying exposures are accurate. The third party undertaking the review only has obligations to the parties to the engagement letters governing the performance of the agreed upon procedures subject to the limitations and exclusions contained therein.</p> <p><i>PCS has reviewed the report on "agreed upon procedures" (AUP) commonly known as a "pool audit". PCS can confirm that this was done by an independent third party.</i></p>	
66	STS Criteria 66. Including verification that the data disclosed in respect of the underlying exposures is accurate.	Verified? YES
	PCS Comments <p>See comment 65 above.</p>	

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	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, <i>Transaction Overview–Rights of Noteholders and Certificateholders and Relationship with other Secured Creditors</i>.</p> <p>Provision of Information to the Noteholders and Certificateholders:</p> <p>The Seller shall make available or procure on demand, from the Closing Date until the date the last Note is redeemed in full, a liability cashflow model (the “Cash Flow Model”) to investors, either directly or indirectly through one or more entities which provide such Cash Flow Models, which precisely represents the contractual relationship between the Mortgage Loans and the payments flowing between the Seller, investors in the Notes, other third parties and the Issuer. The Cash Flow Model shall be made available (i) prior to pricing of the Notes to potential investors, and (ii) on an on-going basis and to investors in the Notes and to potential investors in the Notes upon request.</p> <p>See Prospectus, <i>Transaction Overview–Rights of Noteholders and Certificateholders and Relationship with other Secured Creditors</i>.</p> <p>Provision of Information to the Noteholders and Certificateholders:</p> <p>Information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 and Article 22(5) of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation (as if it were applicable to the Seller) was made available by means of the Reporting Websites.</p>	
68	<p>STS Criteria</p> <p>68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See also comment 67 above.</p>	

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).

69	STS Criteria	Verified? YES
<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>PCS Comments</p> <p>See Prospectus, <i>Characteristics of the Provisional Portfolio</i>.</p> <p>[...] The Legal Title Holder has begun to receive information relating to the environmental performance of the Properties securing the Mortgage Loans in the Portfolio. This information will be included in the Quarterly SR Loan Level Reports.</p> <p><i>This environmental impact criterion only applies to mortgages and car loan securitisations. The EBA Guidelines though make it clear that an originator is only required to disclose information that is in its possession and captured in its internal data base or IT systems. PCS notes the statement made in the prospectus by the originator that it does not possess such information in its administrative records.</i></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.

70	STS Criteria	Verified? YES
<p>70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p>		
<p>PCS Comments</p> <p>See Prospectus, <i>Certain Regulatory Requirements</i>.</p> <p>Transparency and reporting</p> <p>Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation</p> <p>The Originator will be responsible for compliance with Article 7 of the UK Securitisation Regulation for the purposes of Article 22(5) of the UK Securitisation Regulation. For the purposes of Article 7(2) of the UK Securitisation Regulation, the Seller, has been designated as the reporting entity (the "Reporting Entity") and has accepted such appointment.</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	STS Criteria	Verified? YES
	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.	
	PCS Comments	
	See Prospectus, <i>Rights of Noteholders and Certificateholders and Relationship with other Secured Creditors</i> .	
	Provision of Information to the Noteholders and Certificateholders:	
	The Reporting Entity has made available, prior to pricing, information required by Article 7(1)(a) of the UK Securitisation Regulation to the extent such information has been requested by a potential investor.	
	See Prospectus, <i>Transaction Overview–Rights of Noteholders and Certificateholders and Relationship with other Secured Creditors</i> .	
	Provision of Information to the Noteholders and Certificateholders:	
	Information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 and Article 22(5) of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation (as if it were applicable to the Seller) was made available by means of the Reporting Websites.	
72	STS Criteria	Verified? YES
	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.	
	PCS Comments	
	See Prospectus, <i>Certain Regulatory Requirements</i> .	
	UK Securitisation Regulation and EU Securitisation Regulation	
	Transparency and reporting	
	Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation	
	Reporting under the UK Securitisation Regulation and general investor reporting	
	The Reporting Entity has made available, prior to pricing, information required by Article 7(1)(b) of the UK Securitisation Regulation.	
	See Prospectus, <i>Transaction Overview–Rights of Noteholders and Certificateholders and Relationship with other Secured Creditors</i> .	
	Provision of Information to the Noteholders and Certificateholders:	
	Information required to be made available prior to pricing to potential investors in the Notes pursuant to Article 7 and Article 22(5) of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation (as if it were applicable to the Seller) was made available by means of the Reporting Websites.	
	See Prospectus, General Information	

Securitisation Regulation Reporting

UK Securitisation Regulation Reporting

24 The Reporting Entity confirms that it has made available this Prospectus and the Transaction Documents as required by Article 7(1)(b) of the UK Securitisation Regulation (in draft form) prior to the pricing date of the Notes and that it will procure that final documents are provided no later than 15 calendar days after the Closing Date.

25 [...] A draft version of the UK STS notification was made available prior to pricing to potential investors in the Notes by way of the Reporting Websites.

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

73

STS Criteria

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

Verified?

YES

PCS Comments

See Prospectus, *General Information*.

Securitisation Regulation Reporting

UK Securitisation Regulation Reporting

23 The Reporting Entity will procure that:

(e) within 15 days of the issuance of the Notes, make available via the Reporting Websites final copies of the Transaction Documents, the UK STS Notification, and this Prospectus.

24 The Reporting Entity confirms that it has made available this Prospectus and the Transaction Documents as required by Article 7(1)(b) of the UK Securitisation Regulation (in draft form) prior to the pricing date of the Notes and that it will procure that final documents are provided no later than 15 calendar days after the Closing Date.

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 FCA 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, *Transaction Overview – Rights of Noteholders and Certificateholders and Relationship with other Secured Creditors*.

Provision of Information to the Noteholders and Certificateholders:

For so long as the Notes remain outstanding, the Servicer on behalf of the Reporting Entity and Seller (as applicable) will publish (i) a quarterly investor report in respect of the relevant Collection Period, as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation (the “Quarterly UK SR Investor Report”) and Article 7(1)(e) of the EU Securitisation Regulation (as if it were applicable to the Seller) (the “Quarterly EU SR Investor Report” and together with the Quarterly UK SR Investor Report, the “Quarterly SR Investor Reports”) and (ii) on a quarterly basis certain loan-by-loan information in relation to the Portfolio in respect of the relevant Collection Period as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation (the “Quarterly UK SR Loan Level Report”) and Article 7(1)(a) of the EU Securitisation Regulation (as if it were applicable to the Seller) (the “Quarterly EU SR Loan Level Report” and together with the Quarterly UK SR Loan Level Report, the “Quarterly SR Loan Level Reports”), in each case, simultaneously each quarter (to the extent required under Article 7(1) of the UK Securitisation Regulation and Article 7(1) of the EU Securitisation Regulation (as if it were applicable to the Seller) and no later than one month after the relevant Interest Payment Date). [...]

The Servicer will make such information available to the holders of any of the Notes, relevant competent authorities and to potential investors in the Notes.

Each of the Quarterly SR Investor Reports and the Quarterly SR Loan Level Reports will be published:

(a) in accordance with Article 10 of the UK Securitisation Regulation, on a securitisation repository at EDW Securitisation Repository - European DataWarehouse (eurodw.co.uk);
or

(b) in accordance with Article 10 of the EU Securitisation Regulation on a securitisation repository at EDW Securitisation Repository - European DataWarehouse (eurodw.eu)

each being a website which conforms to the requirements set out in Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as if it were applicable to the Seller) respectively, or any other website which may be notified by the Issuer from time to time provided that such replacement or additional website conforms to the requirements set out in Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as if it were applicable to the Seller) respectively (such websites being, together, the “Reporting Websites”), and the Cash Flow Model will be published by means of the website of European DataWarehouse (eurodw.co.uk). None of the reports or the websites or the contents thereof form part of this Prospectus.

See Prospectus, *General Information*.

Securitisation Regulation Reporting

UK Securitisation Regulation Reporting

23 The Reporting Entity will procure that:

(b) (simultaneously with the Quarterly UK SR Investor Report) certain loan-by-loan information in relation to the Portfolio in respect of the relevant period is published on a quarterly basis as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the “Quarterly UK SR Loan Level Report”);

See transaction documents, Master Definitions and Construction Schedule.

“Quarterly UK SR Loan Level Report” means a quarterly loan-level report in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards;

Certain criteria from 73 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 guarantees 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 guarantees 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, *General Information*.

Securitisation Regulation Reporting

UK Securitisation Regulation Reporting

23 The Reporting Entity will procure that:

(e) within 15 days of the issuance of the Notes, make available via the Reporting Websites final copies of the Transaction Documents, the UK STS Notification, and this Prospectus.

24 The Reporting Entity confirms that it has made available this Prospectus and the Transaction Documents as required by Article 7(1)(b) of the UK Securitisation Regulation (in draft form) prior to the pricing date of the Notes and that it will procure that final documents are provided no later than 15 calendar days after the Closing Date.

“Transaction Documents” means the Servicing Deed, the Replacement Servicing Agreement, the Agency Agreement, the Bank Account Agreement, the Collection Accounts Declaration of Trust, the Cash Administration Agreement, the Corporate Services Agreement, the Deed of Charge, each Scottish Trust Security, the Swap Agreement, a share trust deed dated 1 July 2022 (the “Share Trust Deed”), the power of attorney granted by the Issuer in favour of the Security Trustee under the Deed of Charge (the “Issuer Power of Attorney”), a master definitions and construction schedule dated on or about the Closing Date (the “Master Definitions and Construction Schedule”), the Mortgage Sale Agreement, each Scottish Declaration of Trust, the power of attorney granted by the Legal Title Holder in favour of the Issuer and the Security Trustee on the Closing Date (the “Legal Title Holder Powers of Attorney”), the Trust Deed and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and/or the Residual Certificates.

Certain criteria from 73 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;

76 STS Criteria

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

Verified?
YES

PCS Comments

See Prospectus, *Transaction Overview–Credit Structure and Cashflow*.

Pre-Enforcement Revenue Priority of Payments

Pre-Enforcement Principal Priority of Payments

Post-Enforcement Priority of Payments

See Prospectus, *Cashflows*.

Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer

Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer

Distributions following the service of an Enforcement Notice on the Issuer

See also underlying transaction documents, Cash Administration Agreement, Deed of Charge.

Certain criteria from 73 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 authorities 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)¹ 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;

77 **STS Criteria**

77. (c) 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:

- (i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;
- (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;
- (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;
- (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;

Verified?
YES

PCS Comments

See Prospectus, *Certain Regulatory Requirements*.

UK Securitisation Regulation and EU Securitisation Regulation

Transparency and reporting

Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation

Transaction Summary

The Issuer and the Seller (as originator) intend that this Prospectus constitutes a transaction summary/overview of the main features of the transaction contemplated herein for the purposes of Article 7(1)(c) of the UK Securitisation Regulation.

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

¹ 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 authorities referred to in Article 29 and, upon request, to potential investors:

(d) in the case of STS securitisations, the STS notification referred to in Article 27;

78	STS Criteria	Verified? YES
	78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;	
	PCS Comments	
	See Prospectus, <i>General Information</i> .	
	Securitisation Regulation Reporting	
	UK Securitisation Regulation Reporting	
	23 The Reporting Entity will procure that:	
	(e) Within 15 days of the issuance of the Notes, make available via the Reporting Websites final copies of the Transaction Documents, the UK STS Notification, and this Prospectus.	
	25 [...] The Issuer has procured that on or about the date of this Prospectus a UK STS Notification shall be submitted to the FCA in accordance of the UK Securitisation Regulation, confirming that the UK STS Notification will be available on the website of the FCA https://data.fca.org.uk/#/sts/stssecuritisations . A draft version of the UK STS notification was made available prior to pricing to potential investors in the Notes by way of the Reporting Websites. For the avoidance of doubt, such websites and the contents thereof do not form part of this Prospectus.	
	<i>Certain criteria from 73 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 authorities referred to in Article 29 and, upon request, to potential investors:

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

- (i) all materially relevant data on the credit quality and performance of underlying exposures;
- (ii) information on events which trigger changes in the priority of payments or the replacement of any counterparties, and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;
- (iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6.

79	<p><u>STS Criteria</u></p> <p>79. (e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:</p> <ul style="list-style-type: none"> (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. 	<p>Verified? YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>Transaction Overview – Rights of Noteholders and Certificateholders and Relationship with other Secured Creditors</i>.</p> <p>Provision of Information to the Noteholders and Certificateholders:</p> <p>For so long as the Notes remain outstanding, the Servicer on behalf of the Issuer will publish (i) a quarterly investor report in respect of the relevant Collection Period, as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation (the “Quarterly UK SR Investor Report”) and Article 7(1)(e) of the EU Securitisation Regulation (as if it were applicable to the Seller) (the “Quarterly EU SR Investor Report” and together with the Quarterly UK SR Investor Report, the “Quarterly SR Investor Reports”) and (ii) on a quarterly basis certain loan-by-loan information in relation to the Portfolio in respect of the relevant Collection Period as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation (the “Quarterly UK SR Loan Level Report”) and Article 7(1)(a) of the EU Securitisation Regulation (as if it were applicable to the Seller) (the “Quarterly EU SR Loan Level Report” and together with the Quarterly UK SR Loan Level Report, the “Quarterly SR Loan Level Reports”), in each case, simultaneously each quarter (to the extent required under Article 7(1) of the UK Securitisation Regulation and Article 7(1) of the EU Securitisation Regulation (as if it were applicable to the Seller) and no later than one month after the relevant Interest Payment Date). [...]</p> <p>The Servicer will make such information available to the holders of any of the Notes, relevant competent authorities and to potential investors in the Notes.</p> <p>Each of the Quarterly SR Investor Reports and the Quarterly SR Loan Level Reports will be published:</p> <ul style="list-style-type: none"> (a) in accordance with Article 10 of the UK Securitisation Regulation, on a securitisation repository at EDW Securitisation Repository - European DataWarehouse (eurodw.co.uk); or (b) in accordance with Article 10 of the EU Securitisation Regulation on a securitisation repository at EDW Securitisation Repository - European DataWarehouse (eurodw.eu) <p>each being a website which conforms to the requirements set out in Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as if it were applicable to the Seller) respectively, or any other website which may be notified by the Issuer from time to time provided that such replacement or additional website conforms to the</p>	

requirements set out in Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as if it were applicable to the Seller) respectively (such websites being, together, the "Reporting Websites"), and the Cash Flow Model will be published by means of the website of European DataWarehouse (eurodw.co.uk). None of the reports or the websites or the contents thereof form part of this Prospectus.

See Prospectus, *General Information*.

Securitisation Regulation Reporting

UK Securitisation Regulation Reporting

23 The Reporting Entity will procure that:

(a) a quarterly investor report is prepared and published as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the "Quarterly UK SR Investor Report"); and

Certain criteria from 73 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 authorities referred to in Article 29 and, upon request, to potential investors:

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

80

STS Criteria

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

Verified?
YES

PCS Comments

Not applicable.

Certain criteria from 73 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 authorities referred to in Article 29 and, upon request, to potential investors:

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

- (i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;
- (ii) a change in the structural features that can materially impact the performance of the securitisation;
- (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;
- (iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;
- (v) any material amendment to transaction documents.

81 **STS Criteria**

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

- (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, *General Information*.

Securitisation Regulation Reporting

UK Securitisation Regulation Reporting

23 The Reporting Entity will procure that:

(c) any information required to be reported pursuant to Article 7(1)(g) of the UK Securitisation Regulation is prepared and published without delay;

Certain criteria from 73 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]

82	STS Criteria 82. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest [...ABCP provisions]	Verified? YES
	PCS Comments See Prospectus, <i>General Information</i> . Securitisation Regulation Reporting UK Securitisation Regulation Reporting 23 The Reporting Entity will procure that: (a) a quarterly investor report is prepared and published as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the "Quarterly UK SR Investor Report"); and (b) (simultaneously with the Quarterly UK SR Investor Report) certain loan-by-loan information in relation to the Portfolio in respect of the relevant period is published on a quarterly basis as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the "Quarterly UK SR Loan Level Report"); <i>Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i>	

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.
 Competent authorities referred to in Article 29 shall be able to request the provision of such confidential information to them in order to fulfil their duties under this Regulation.

83	STS Criteria 83. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay	Verified? YES
	PCS Comments <i>See point 80 and 81 above.</i>	

Article 7.2. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.

The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.

Or

The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.

84 **STS Criteria**

84. The originator, sponsor and SSPE of a securitisation shall designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 1.

The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.

Or

The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.

Verified?
YES

PCS Comments

See Prospectus, *Certain Regulatory Requirements*.

Transparency and reporting

Reporting under the UK Securitisation Regulation and the EU Securitisation Regulation

[...] For the purposes of Article 7(2) of the UK Securitisation Regulation, the Seller, has been designated as the reporting entity (the "Reporting Entity") and has accepted such appointment.

The Reporting Entity will fulfil the requirements of Article 7 of the UK Securitisation Regulation either itself or shall procure that such requirements are fulfilled on its behalf.

See Prospectus, *General Information*.

Securitisation Regulation Reporting

UK Securitisation Regulation Reporting

22 The Reporting Entity has undertaken in the Mortgage Sale Agreement that it will fulfil the requirements of Article 7 of the UK Securitisation Regulation either itself or shall procure that such requirements are fulfilled on its behalf.

25 The Reporting Entity will procure that the information referred to in paragraphs 22 and 23 above is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes on the website of EDW at Securitisation Repository - European DataWarehouse (eurodw.co.uk) (or such other website as may be notified by the Servicer to the Issuer, the Seller, the Note Trustee, each Rating Agency, the Noteholders and the Certificateholders from time to time). The Issuer has procured that on or about the date of this Prospectus a UK STS Notification shall be submitted to the FCA in accordance of the UK Securitisation Regulation, confirming that the UK STS Notification will be available on the website of the FCA <https://data.fca.org.uk/#/sts/stssecuritisations>. A draft version of the UK STS notification was made available prior to pricing to potential investors in the Notes by way of the Reporting Websites. For the avoidance of doubt, such websites and the contents thereof do not form part of this Prospectus.

<p><i>Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i></p>	
<p>85</p>	<p>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.</p>
<p>PCS Comments See <i>point 84 above</i>. <i>Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.</i></p>	
<p>Verified? YES</p>	