

# **STS Term Verification Checklist**

## **OAK NO.4 PLC**



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

24<sup>th</sup> May 2023

**Analyst: Robert Leach – +44 203 866 5005**

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

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

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

**24<sup>th</sup> May 2023**

## STS Disclaimer

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

PCS EU and PCS UK are authorised respectively by the French Autorité des Marchés Financiers and by the United Kingdom Financial Conduct Authority as third-party verification agents pursuant to article 28 of Regulation (EU) 2017/2402 (the “**STS Regulation**”) and The Securitisation (Amendment) (EU Exit) Regulations 2019.

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

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

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

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

## PRIME COLLATERALISED SECURITIES (PCS) STS Verification

|                                                           |                                                                 |
|-----------------------------------------------------------|-----------------------------------------------------------------|
| Individual(s) undertaking the assessment                  | Robert Leach                                                    |
| Date of Verification                                      | 24 May 2023                                                     |
| <b>The transaction to be verified (the "Transaction")</b> | <b>OAK NO.4 PLC</b>                                             |
| Issuer                                                    | OAK NO.4 PLC                                                    |
| Originator                                                | Aldermore Bank PLC                                              |
| Lead Manager(s)                                           | BofA Securities, BNP Paribas, Lloyds Bank Corporate Markets plc |
| Transaction Legal Counsel                                 | Ashurst LLP                                                     |
| Rating Agencies                                           | Moody's, Fitch                                                  |
| Stock Exchange                                            | Euronext Dublin (Irish Stock Exchange)                          |
| Closing Date                                              | 24 May 2023                                                     |

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

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

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

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

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

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                       |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>1</b> | <p><b><u>STS Criteria</u></b></p> <p>1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b><u>Verified?</u></b><br><b>YES</b> |
|          | <p><b><u>PCS Comments</u></b></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Portfolio</p> <p>Under the Mortgage Sale Agreement, on the Closing Date, subject to the condition that no Event of Default shall have occurred which is continuing as at the Closing Date, the Issuer will pay the Initial Consideration to the Seller and a portfolio of English and Welsh residential mortgage loans (the Loans) and their associated Mortgages and other Related Security will be assigned by way of equitable assignment to the Issuer. The Loans and Related Security and all monies derived therefrom from time to time are referred to herein as the "Portfolio".</p> <p>See also Prospectus, <i>RISK FACTORS</i>.</p> <p>Seller to Initially Retain Legal Title to the Loans and Risks Relating to Set-off</p> <p>The sale by the Seller to the Issuer of the Loans and their Related Security (until legal title is conveyed) takes effect in equity only. This means that legal title to the Loans in the Portfolio and their Related Security will remain with the Seller until certain trigger events occur under the terms of the Mortgage Sale Agreement (see "Summary of the Key Transaction Documents – Mortgage Sale Agreement" below). Until such time, the assignment by the Seller to the Issuer of the Loans and their Related Security takes effect in equity only.</p> <p><i>"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".</i></p> <p><i>This is clearly stated in the wording of the Regulation (20.1). The expression "transfer to the same effect" indicates that, as long as the conditions in the preceding paragraph are met, the Regulation does not seek to limit the type of legal devices which can be used to effect such transfer of title.</i></p> <p><i>The issue of "true sale" is separate from the issue of "clawback". "Clawback" refers to legal processes through which, in the insolvency of the seller of an asset, an insolvency officer is entitled to reverse the sale – even in cases where a "true sale" has taken place.</i></p> <p><i>All European jurisdictions, to PCS' knowledge, have rules allowing for clawbacks. Clawbacks are usually rules to avoid a company heading towards insolvency from "defrauding" its existing creditors either by selling assets at very low prices (to friends and relations) or unfairly preferring certain creditors over others.</i></p> <p><i>The Regulation (20.1) therefore does not require STS "true sales" to be clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to "severe clawback". The Regulation does not define "severe clawback" but gives an example (20.2) where a clawback happens for no reasons.</i></p> <p><i>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".</i></p> |                                       |

PCS further notes that the examples (20.2 and 20.3) refer to the insolvency law of a jurisdiction and therefore believes that clawback risk is to be assessed on a jurisdictional basis rather than on a transactional basis.

Finally, PCS does not believe and nor is there any evidence that the legislators or regulatory authorities are seeking to craft a higher standard than that which has been used for decades by the market and was the basis for the legislative text.

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

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

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

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

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

The legal opinion from Ashurst LLP confirms that the equitable assignment meets the definition of “true sale” outlined above.

In the case of Aldermore Bank, a bank situated in the United Kingdom, the COMI is considered the United Kingdom.

United Kingdom insolvency law provides for clawback in the cases of preferences and transactions at an undervalue and require the insolvency officer to prove that case. Therefore, and as confirmed by the Opinions, the transfer is not, in our opinion, subject to “severe clawback”.

**Article 20.1** [...] The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller’s insolvency.

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

- (a) provisions which allow the liquidator of the seller to invalidate the sale of the underlying exposures solely on the basis that it was concluded within a certain period before the declaration of the seller’s insolvency;
- (b) provisions where the SSPE can only prevent the invalidation referred to in point (a) if it can prove that it was not aware of the insolvency of the seller at the time of sale..

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

2

**STS Criteria**

2. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller’s insolvency.

**Verified?**

**YES**

**PCS Comments**

COMI is in the UK. UK does not have severe clawback provisions. See comment under point 1 above. Neither provision applies in the UK.

**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.

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                          |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>3</b> | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Verified?<br/>YES</b> |
|          | <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><b>PCS Comments</b></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Loans</p> <p>The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties:</p> <p>(b) Each Loan (i) was originated by the Seller in the ordinary course of business pursuant to underwriting standards that were no less stringent than those that the Seller applied at the time of origination to similar loans that are not securitised and (ii) was denominated in pounds Sterling upon origination.</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.

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>4</b> | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Verified?<br/>YES</b> |
|          | <p>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:</p> <p>(a) severe deterioration in the seller credit quality standing;</p> <p>(b) insolvency of the seller; and</p> <p>(c) unremedied breaches of contractual obligations by the seller, including the seller's default.</p> <p><b>PCS Comments</b></p> <p>See Prospectus, <i>SUMMARY OF KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Title to the Mortgages, Registration and Notifications</p> |                          |



The completion of the transfer of the Loans and Related Security (and where appropriate their registration) to the Issuer is, save in the limited circumstances referred to below, deferred. Legal title to the Loans and Related Security therefore remains with the Seller. Notice of the sale of the Loans and their Related 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 as soon as reasonably practicable, and in any case, on or before the 20th Business Day after the earliest to occur of the following:

(a) the Seller being required to perfect legal title to the Loans and their Related Security (i) by an order of a court of competent jurisdiction, (ii) by a regulatory authority which has jurisdiction over the Seller or (iii) by any organisation of which the Seller is a member, or whose members comprise, but are not necessarily limited to, mortgage lenders with whose instructions it is customary for the Seller to comply; or

(b) it becoming necessary by law to perfect legal title to the Loans and their Related Security; or

(c) the security under the Deed of Charge or any material part of that security being, in the opinion of the Security Trustee, in jeopardy and the Security Trustee being required by the Note Trustee (on behalf of the Noteholders) so long as any Notes are outstanding or the other Secured Creditors if no Notes are then outstanding to take action to reduce that jeopardy (including due to the possible insolvency of the Seller); or

(d) the occurrence of a Seller Insolvency Event;

(e) the occurrence of a Severe Deterioration Event; or

(f) the Seller is in breach of its obligations under the Mortgage Sale Agreement, but only if: (i) such breach, where capable of remedy, is not remedied to the reasonable satisfaction of Issuer and to the satisfaction of the Security Trustee within 90 calendar days; and (ii) any of Fitch, and/or Moody's shall have provided confirmation that the then current ratings of the Class A Notes will be withdrawn, downgraded or qualified as a result of such breach,

provided that: (A) each of sub-paragraphs (e) and (f) above shall not be applicable if the Seller has delivered a certificate to the Issuer and the Security Trustee that the occurrence of such event does not impact the designation as a 'simple, transparent and standardised' securitisation (within the meaning of the UK Securitisation Regulation) in respect of the Class A Notes; and (B) each of sub-paragraphs (e) and (f) above shall be subject to such amendment as the Seller may require so long as the Seller delivers a certificate to the Issuer and the Security Trustee that the amendment of such event does not impact the designation as a 'simple, transparent and standardised' securitisation (within the meaning of the UK Securitisation Regulation) in respect of the Class A Notes (each of the events set out in sub-paragraphs (a) to (f) inclusive being a "Perfection Event").

"Severe Deterioration Event" means all or any part having an aggregate value in excess of 10% of the property, business, undertakings, assets or revenues of the Seller 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 and where such attachment materially prejudices the ability of the Seller to observe or perform its obligations under the Transaction Documents or the enforceability or collectability of the Loans.

A "Seller Insolvency Event" will occur in the following circumstances:

(a) an order is made or an effective resolution passed for the winding up of the Seller; or

(b) the Seller stops or threatens to stop payment to its creditors generally or the Seller ceases or threatens to cease to carry on its business or substantially the whole of its business; or

(c) an encumbrancer takes possession or a receiver, administrator, administrative receiver or other similar officer is appointed to the whole or any material part of the undertaking, property and assets of the Seller or a distress, diligence or execution is levied or enforced upon or sued out against the whole or any material part of the chattels or property of the Seller and, in the case of any of the foregoing events, is not discharged within 30 days; or

(d) the Seller is unable to pay its debts as they fall due; or

- (e) the Seller takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or a moratorium is declared in respect of any of its indebtedness; or
- (f) the commencement of negotiations with one or more creditors of the Seller with a view to rescheduling any indebtedness of the Seller other than in connection with any refinancing in the ordinary course of business; or
- (g) the making of an arrangement, composition, or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of the Seller, a reorganisation of the Seller, a conveyance to or assignment for the creditors of the Seller generally or the making of an application to a court of competent jurisdiction for protection from the creditors of the Seller generally other than in connection with any refinancing in the ordinary course of business; or
- (h) any distress, execution, diligence, attachment or other process being levied or enforced or imposed upon or against the whole or any material part of the undertaking or assets of the Seller (excluding, in relation to the Issuer, by the Security Trustee or any Receiver) and, in the case of any of the foregoing events, is not discharged within 30 days; or
- (i) any procedure or step is taken, or any event occurs, analogous to those set out in (a) - (h) above, in any jurisdiction.

Save in relation to Loans which are Dematerialised Loans, the title deeds and customer files relating to the Portfolio are currently held by or to the order of the Seller. The Seller will undertake that all the title deeds and customer files relating to the Portfolio which are at any time in its possession or under its control or held to its order will be held to the order of the Issuer or as the Issuer directs or following the occurrence of an Event of Default, to the order of the Security Trustee.

*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. See (e).*

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

*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. See (f).

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

5

**STS Criteria**

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

**Verified?  
YES**

**PCS Comments**

See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

Mortgage Sale Agreement

The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties:

The Seller's Title

(a) Immediately prior to the purchase of any Loan and the Related Security by the Issuer, and subject to registration or recording at the Land Registry, the Seller has good title to, and is the absolute unencumbered legal and beneficial owner of, all property, interests, rights and benefits in relation to the Loans and Related Security agreed to be sold and/or assigned and/or held in trust by the Seller to or for the Issuer pursuant to the Mortgage Sale Agreement, free and clear of all Security Interests, adverse claims, assignments and equities (including, without limitation, rights of set-off or counterclaim and unregistered dispositions which override first registration and unregistered interests which override registered dispositions (as listed in Schedule 1 and Schedule 3 respectively of the Land Registration Act 2002), subject to the Mortgage Sale Agreement and the Borrower's equity of redemption and the Seller is not in breach of any covenant or warranty implied by reason of its selling the Portfolio with full title guarantee.

(e) There is no restriction on the assignment of the Loans and their Related Security and the Seller may freely assign and enter into trust arrangements in respect of all its rights, title, interests and benefits therein as contemplated in the Mortgage Sale Agreement without breaching any term or condition applying to any of them.

**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.

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| <b>6</b> | <p><b><u>STS Criteria</u></b></p> <p>6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p><b><u>Verified?</u></b></p> <p><b>YES</b></p> |
|          | <p><b><u>PCS Comments</u></b></p> <p>See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the Loan Warranties (as defined below) will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer.</p> <p>The Seller will represent and warrant to the Issuer and the Security Trustee in the Mortgage Sale Agreement on the terms of the Loan Warranties (as defined below) in each case subject to certain additional amendments and conditions as set out in the Mortgage Sale Agreement: [...]</p> <p>The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties: [...]</p> <p><i>The EBA Guidelines clarify that "clear" does not mean easily readable or comprehended by a non-expert. In the Regulation a criterion is "clear" when a court or tribunal could determine whether, presumably in all cases, the criterion is met for each asset. In the Regulation, "clear" is about certainty of determination.</i></p> <p><i>PCS has read the "Loan Warranties" in the Prospectus. As they are mandatory, they meet the "predetermined" requirement. As they are in the Prospectus, they meet the "documented" requirement. PCS has also concluded that they allow determination in each case and so meet the "clear" requirement.</i></p> |                                                  |
| <b>7</b> | <p><b><u>STS Criteria</u></b></p> <p>7. Which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><b><u>Verified?</u></b></p> <p><b>YES</b></p> |
|          | <p><b><u>PCS Comments</u></b></p> <p>See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS.</p> <p>Mortgage Sale Agreement</p> <p>Repurchase by the Seller</p> <p>See Prospectus, REGULATORY REQUIREMENTS.</p> <p>The Seller's rights and obligations to sell the Loans to the Issuer and/or repurchase the Loans from the Issuer pursuant to the Mortgage Sale Agreement do not constitute active portfolio management for purposes of Article 20(7) of the UK Securitisation Regulation.</p> <p><i>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.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |

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 the Closing Date, the Loan Warranties (as defined below) will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer.

The Seller will represent and warrant to the Issuer and the Security Trustee in the Mortgage Sale Agreement on the terms of the Loan Warranties (as defined below) in each case subject to certain additional amendments and conditions as set out in the Mortgage Sale Agreement:

- (a) in respect of each Loan and its Related Security in the Portfolio, as at the Cut-Off Date;
- (b) in relation to any Additional Borrowing, as at the last day of the Monthly Period in which the relevant Advance Date occurred;
- (c) in relation to each Loan which is subject to a Product Transfer, as at the last day of the Monthly Period in which the relevant Transfer Date occurred; and
- (d) in relation to each Substitute Loan on the Utilisation Date; subject that:
  - (i) any references to the Portfolio Notice shall be deemed to mean the schedule to the Substitution Notice; and
  - (ii) any references to the Cut-Off Date shall mean the last day of the Monthly Period immediately preceding the relevant Substitution Date.

Additional Borrowing

Product Transfers

Asset Conditions

In order for any Loan which has been the subject of an Additional Borrowing or Product Transfer to remain in the Portfolio, the conditions below (the "Asset Conditions") must be complied with as of the last day of the Monthly Period in which the relevant Transfer Date or Advance Date occurred. The Asset Conditions will be tested on the Monthly Test Date immediately following the Monthly Period in which such sale of the Additional Borrowing or Product Transfer took place.

The Asset Conditions are:

- (iv) each Loan and its Related Security which is the subject of an Additional Borrowing and/or Product Transfer complies at the end of the Monthly Period in which such Additional Borrowing and/or Product Transfer occurred with the Loan Warranties;

*There is no revolving feature in the transaction. See, however, "Additional Borrowings", "Product Transfers" and "Substitute Loan" for the existence of possible future additional transfers of exposures.*

*This criterion is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost.*

*Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting at the same time that the absence of any such covenant – although possibly unsettling for some investors – would not invalidate the STS status of the transaction at closing.*

**Article 20.8.** 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.

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| <b>9</b>  | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Verified?<br/>YES</b> |
|           | <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><b>PCS Comments</b></p> <p>See Prospectus, <i>REGULATORY REQUIREMENTS</i>.</p> <p>The Loans in the Portfolio are homogeneous for purposes of Article 20(8) of the UK Securitisation Regulation and the EBA Final Draft Regulatory Technical Standards on the homogeneity of the underlying exposures in securitisation under Articles 20(14) and 24(21) of the UK Securitisation Regulation dated 31 July 2018 and adopted by the European Commission on 28 May 2019 (as those form part of domestic law in the United Kingdom by virtue of EUWA), on the basis that all Loans in the Portfolio: (i) have been underwritten by Aldermore in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential Customer’s credit risk; (ii) are repayment mortgage loans or interest-only mortgage loans entered into substantially on the terms of similar standard documentation for residential mortgage loans; (iii) are serviced by the Servicer pursuant to the servicing agreement in accordance with similar servicing procedures with respect to monitoring, collections and administration of cash receivables generated from the loans; and (iv) form one asset category, namely residential loans secured with one or several mortgages on residential immovable property in England and Wales.</p> <p><i>In the Transaction, the loans were underwritten on a similar basis, they are being serviced by Aldermore Bank according to similar servicing procedures, they are a single asset class – residential mortgage loans and the mortgage loans are all originated in the same jurisdiction.</i></p> <p><i>PCS also takes comfort from the fact that transactions containing pools with similar characteristics have always been considered to be “homogenous” by a wide consensus of market participants.</i></p> |                          |
| <b>10</b> | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Verified?<br/>YES</b> |
|           | <p>10. The underlying exposures shall contain obligations that are contractually binding and enforceable.</p> <p><b>PCS Comments</b></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                          |

Representations and Warranties

The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties:

Loans

(j) The Current Balance on each Loan and its Related Security constitutes a legal, valid, binding and enforceable debt due to the Seller from the relevant Borrower and the terms of each Loan and its Related Security constitute valid and binding obligations of the Borrower enforceable and non-cancellable except that enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the court's discretion in relation to equitable remedies.

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| <b>11</b> | <b>STS Criteria</b><br>11. With full recourse to debtors and, where applicable, guarantors.                                                                                            | <b>Verified?</b><br><b>YES</b> |
|           | <b>PCS Comments</b><br>See Prospectus, <i>THE LOANS</i> .<br>Characteristics of the Loans<br>The Loans have full recourse to the relevant Borrowers and, where applicable, guarantors. |                                |

**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.

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| <b>12</b> | <b>STS Criteria</b><br>12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Verified?</b><br><b>YES</b> |
|           | <b>PCS Comments</b><br>See Prospectus, <i>THE LOANS</i> .<br>Characteristics of the Loans<br>(1) Repayment terms<br>Loans may combine one or more of the features listed in this section. Other customer incentives may be offered with the product, for example, free valuations and payment of legal fees. Overpayments are allowed on all products, within certain limits.<br>Loans are typically repayable on one of the following bases: <ul style="list-style-type: none"> <li>• Repayment Loan: the Borrower makes monthly payments of both interest and principal so that, when the Loan reaches the end of its term, the full amount of the principal of the Loan will have been repaid; or</li> <li>• Interest-only Loan: the Borrower makes monthly payments of interest but not of principal; when the Loan reaches the end of its term the entire principal amount of the Loan is still outstanding and is payable in one lump sum.</li> </ul> |                                |

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| <p><b>13</b> <b><u>STS Criteria</u></b><br/>         13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><b><u>Verified?</u></b><br/><b>YES</b></p>                                                                                                                                            |
| <p><b><u>PCS Comments</u></b><br/> <i>See point 12 above.</i><br/>         See also Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.<br/>         Mortgage Sale Agreement<br/>         Portfolio<br/>         Under the Mortgage Sale Agreement, on the Closing Date, subject to the condition that no Event of Default shall have occurred which is continuing as at the Closing Date, the Issuer will pay the Initial Consideration to the Seller and a portfolio of English and Welsh residential mortgage loans (the Loans) and their associated Mortgages and other Related Security will be assigned by way of equitable assignment to the Issuer. The Loans and Related Security and all monies derived therefrom from time to time are referred to herein as the "Portfolio".<br/>         Deed of Charge<br/>         Security<br/>         Under the terms of the Deed of Charge, the Issuer will provide the Security Trustee with the benefit of, inter alia, the following security (the "Security") as trustee for itself and for the benefit of the other Secured Creditors (including the Noteholders):<br/>         (c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) the Issuer's right, title, interest and benefit to and under insurance policies assigned to the Issuer pursuant to the Mortgage Sale Agreement;<br/>         See Prospectus, <i>PORTFOLIO AND SERVICING</i>.<br/>         The Loans<br/>         "Related Security" means, in relation to a Loan, the security granted for the repayment of that Loan by the relevant Borrower including the relevant Mortgage and all other matters applicable thereto acquired as part of any Portfolio sold to the Issuer pursuant to the Mortgage Sale Agreement (as described more fully in the section entitled "Summary of the Key Transaction Documents – Mortgage Sale Agreement").</p> |                                                                                                                                                                                          |



**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.

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| <b>14</b> | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Verified?</b><br><b>YES</b> |
|           | <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><b>PCS Comments</b></p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Characteristics of the Loans</p> <p>The Loans do not include: (i) any transferable securities for purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for purposes of Article 21(2) of the UK Securitisation Regulation, in each case on the basis that the Loans have been entered into substantially on the terms of similar standard documentation for residential mortgages loans.</p> |                                |

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

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| <b>15</b> | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Verified?</b><br><b>YES</b> |
|           | <p>15. The underlying exposures shall not include any securitisation position.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                |
|           | <p><b>PCS Comments</b></p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Characteristics of the Loans</p> <p>The Loans do not include: (i) any transferable securities for purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for purposes of Article 21(2) of the UK Securitisation Regulation, in each case on the basis that the Loans have been entered into substantially on the terms of similar standard documentation for residential mortgages loans.</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.

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| <p><b>16</b> <b><u>STS Criteria</u></b><br/>16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.</p>                                                                                                                                                                                                                                                                                                                                                                                                      | <p><b><u>Verified?</u></b><br/><b>YES</b></p> |
| <p><b><u>PCS Comments</u></b><br/>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.<br/>Mortgage Sale Agreement<br/>The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties:<br/>Loans<br/>(b) Each Loan (i) was originated by the Seller in the ordinary course of business pursuant to underwriting standards that were no less stringent than those that the Seller applied at the time of origination to similar loans that are not securitised and (ii) was denominated in pounds Sterling upon origination.</p> |                                               |
| <p><b>17</b> <b><u>STS Criteria</u></b><br/>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><b><u>Verified?</u></b><br/><b>YES</b></p> |
| <p><b><u>PCS Comments</u></b><br/>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.<br/>Mortgage Sale Agreement<br/>The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties:<br/>Loans<br/>(b) Each Loan (i) was originated by the Seller in the ordinary course of business pursuant to underwriting standards that were no less stringent than those that the Seller applied at the time of origination to similar loans that are not securitised and (ii) was denominated in pounds Sterling upon origination.</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.

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                |
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| <b>18</b> | <b>STS Criteria</b><br>18. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Verified?</b><br><b>YES</b> |
|           | <p><b>PCS Comments</b></p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Changes to the underwriting policies and the Lending Criteria</p> <p>Any material changes from the Seller’s prior underwriting policies and lending criteria shall be disclosed without undue delay to the extent required under Article 20(10) of the UK Securitisation Regulation.</p> <p>See Prospectus, <i>REGULATORY REQUIREMENTS</i>.</p> <p>Any material change to the Seller’s Policy after the date of this Prospectus which would affect the homogeneity (as determined in accordance with Article 20(8) of the UK Securitisation Regulation) of the Loans comprising the Portfolio or which would materially affect the overall credit risk or the expected average performance of the Portfolio will (to the extent such change affects the Loans included in the Portfolio) be disclosed (along with explanation of the rationale for such changes being made) to investors by the Seller without undue delay.</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 ESMA 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.

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| <b>19</b> | <b>STS Criteria</b><br>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. | <b>Verified?</b><br><b>YES</b> |
|           | <p><b>PCS Comments</b></p> <p>See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS</p> <p>Mortgage Sale Agreement</p>                                                                                                                                                                                                                                      |                                |

The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties:

Loans

(x) No Loan is a Self-certified Loan, a Buy to Let Loan, an Offset Loan, a Right to Buy Loan, a Shared Ownership Loan, a Fast-Track Mortgage Loan or a Shared Equity Loan.

"Self-certified Loan" means a Loan which was marketed and underwritten on the premise that the loan applicant or, as applicable, any intermediary, was made aware that evidence of the declared income was unavailable and would not be required in order to underwrite the case or that the information provided might not be verified by the Seller (as originator);

**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.

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                  |
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| <b>20</b> | <p><b><u>STS Criteria</u></b></p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p><b><u>Verified?</u></b></p> <p><b>YES</b></p> |
|           | <p><b><u>PCS Comments</u></b></p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Underwriting Process</p> <p>The assessment of a prospective borrower's creditworthiness is conducted in accordance with the Seller's lending criteria and, where appropriate, meets 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.</p> <p><i>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.</i></p> <p><i>Therefore, if the assets concerned, as in the case of the Transaction, are residential mortgages, the relevant Directive is 2014/17/EU. The next step is to determine which UK law transcribed this Directive into local law.</i></p> <p><i>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. This was done in the UK via the MCD Order issued in March 2016.</i></p> |                                                  |

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

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                |
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| <b>21</b> | <b>STS Criteria</b><br>21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.                                                                                                                                                                                                                                                                                 | <b>Verified?</b><br><b>YES</b> |
|           | <b>PCS Comments</b><br>See Prospectus, <i>ALDERMORE BANK PLC</i> .<br>Business and Strategy of Aldermore<br>Aldermore has more than ten years of experience in the origination, underwriting and servicing of mortgage loans similar to those included in the portfolio.<br><i>An entity originating assets similar to those securitised for at least five years is deemed, according to the EBA Guidelines to have "expertise".</i> |                                |

**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...

|           |                                                                                                                                                                                                                                                                                                                                                                                                 |                                |
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| <b>22</b> | <b>STS Criteria</b><br>22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...                                                                                                                                                                                                                                                                     | <b>Verified?</b><br><b>YES</b> |
|           | <b>PCS Comments</b><br>See definition of "Cut-off Date" and "Provisional Pool Date".<br>See Prospectus, <i>PORTFOLIO AND SERVICING</i> .<br>The Loans<br>"Cut-Off Date" means 30 April 2023.<br><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> |                                |
| <b>23</b> | <b>STS Criteria</b><br>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...                                                                                                                                                                                                                         | <b>Verified?</b><br><b>YES</b> |
|           | <b>PCS Comments</b><br>See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS<br>Mortgage Sale Agreement<br>The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties:                                                                                                                                                                               |                                |

Loans

(s) No loan is considered by the Seller as being in default within the meaning of Article 178(1) of the UK CRR, as further specified by the Commission Delegated Regulation (EU) 2018/171 on the materiality threshold for credit obligations past due developed in accordance with Article 178 of the UK CRR and by the European Banking Authority Guidelines on the application of the definition of default developed in accordance with Article 178(7) of 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.

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                  |
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| <b>24</b> | <p><b><u>STS Criteria</u></b></p> <p>24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator’s or original lender’s knowledge:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p><b><u>Verified?</u></b></p> <p><b>YES</b></p> |
|           | <p><b><u>PCS Comments</u></b></p> <p>See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS</p> <p>Mortgage Sale Agreement</p> <p>The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties:</p> <p>Loans</p> <p>(w) So far as the Seller is aware, having made all reasonable enquiries, no Loan is an exposure to (i) “credit-impaired obligors” or where applicable, “credit-impaired guarantors” as described in Article 13(2)(j) of the UK LCR Regulation (or if different, the equivalent provisions in any such enacted version of such Commission Delegated Regulation) or (ii) “credit-impaired debtors or guarantors” as described in Article 20(11) of the UK Securitisation Regulation, and, in each case, in accordance with any official guidance issued in relation thereto;</p> |                                                  |

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| 25 | <b>STS Criteria</b><br>25.(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.                                                                                                                    | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br><i>See point 24 above.</i>                                                                                                                                                                                                                                                                                                                    |                                |
| 26 | <b>STS Criteria</b><br>26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:                                                                                                                              | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br><i>See point 24 above.</i>                                                                                                                                                                                                                                                                                                                    |                                |
| 27 | <b>STS Criteria</b><br>27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and                                                                                           | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br><i>See point 24 above.</i><br><i>Not applicable – no restructured borrowers.</i>                                                                                                                                                                                                                                                              |                                |
| 28 | <b>STS Criteria</b><br>28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br><i>See point 24 above.</i><br><i>Not applicable – no restructured borrowers.</i>                                                                                                                                                                                                                                                              |                                |
| 29 | <b>STS Criteria</b><br>29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;                                                                              | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br><i>See point 24 above.</i>                                                                                                                                                                                                                                                                                                                    |                                |

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| 30 | <b>STS Criteria</b><br>30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised. | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See point 24 above.                                                                                                                                                                                                                |                                |

**Article 20.12.** The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.

|    |                                                                                                                                                                                                                                                                                                                                                           |                                |
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| 31 | <b>STS Criteria</b><br>31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.                 | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS<br>Mortgage Sale Agreement<br>The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties:<br>Loans<br>(i) At least one monthly payment due in respect of each Loan has been paid by the relevant Borrower as at the Cut-Off Date. |                                |

**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.

|    |                                                                                                                                                                                                         |                                |
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| 32 | <b>STS Criteria</b><br>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. | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See Prospectus, <i>THE LOANS</i> .<br>Characteristics of the Loans                                                                                                               |                                |



(1) Repayment terms

Loans may combine one or more of the features listed in this section. Other customer incentives may be offered with the product, for example, free valuations and payment of legal fees. Overpayments are allowed on all products, within certain limits.

Loans are typically repayable on one of the following bases:

- Repayment Loan: the Borrower makes monthly payments of both interest and principal so that, when the Loan reaches the end of its term, the full amount of the principal of the Loan will have been repaid; or
- Interest-only Loan: the Borrower makes monthly payments of interest but not of principal; when the Loan reaches the end of its term the entire principal amount of the Loan is still outstanding and is payable in one lump sum.

*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.*

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

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                |
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| <b>33</b> | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Verified?</b><br><b>YES</b> |
|           | <p>33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.</p> <p><u>PCS Comments</u></p> <p>See Prospectus, <i>REGULATORY REQUIREMENTS</i>.</p> <p>Aldermore, as originator, will retain a material net economic interest of not less than 5 per cent. of the nominal value of the securitised exposures in the securitisation described in this Prospectus in accordance with (a) Article 6(1) of the UK Securitisation Regulation (the "UK Retention Requirements") and (b) Article 6 (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation not taking into account any relevant national measures, as if it were applicable to it, but solely as such articles are interpreted and applied on the Closing Date (the "EU Retention Requirements").</p> |                                |

**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.

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                |
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| <b>34</b> | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Verified?</b><br><b>YES</b> |
|           | <p>34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.</p> <p><u>PCS Comments</u></p> <p>See Prospectus, <i>REGULATORY REQUIREMENTS</i>.</p> <p>Mitigation of interest rate risks</p> <p>The Loans and the Notes are affected by interest rate risks (see "Interest rate risk" and "Changes or uncertainty in respect of SONIA may affect the value or payment of interest under the Loans or the Notes" in the Risk Factors section of this Prospectus). The Issuer aims to hedge the relevant interest rate exposures in respect of the loans and the notes, as applicable, by entering into the Interest Rate Swap Agreement (see "Credit Structure – Interest Rate Swap" in this Prospectus).</p> <p>Interest rate risks are also managed through a requirement in the Servicing Agreement that, following a Perfection Event, the Aldermore Managed Rate set by the Servicer in respect of the Loans are set at a minimum rate (see "Summary of the Key Transaction Documents - The Servicing Agreement–Undertakings by the Servicer" in this Prospectus).</p> <p>See also Prospectus, <i>RISK FACTORS</i>.</p> <p>Interest rate risk</p> <p>See also Prospectus, <i>CREDIT STRUCTURE</i>.</p> <ol style="list-style-type: none"> <li>7. Interest Rate Risk for the Notes</li> <li>8. Interest Rate Swap</li> <li>9. Interest Rate Swap Agreement</li> </ol> |                                |

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.

In the case of the Transaction, payments from the mortgage loans include fixed rate payments, while the notes are floating rate (SONIA linked). An interest rate swap is used in the Transaction to mitigate fixed-to-floating interest rate risk. Information provided in the transaction documents indicate that interest rate risk has been appropriately mitigated.

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**STS Criteria**

35. Currency risks arising from the securitisation shall be appropriately mitigated.

**Verified?****YES****PCS Comments**

See Prospectus, *TERMS AND CONDITIONS OF THE NOTES*.

1. GENERAL
2. FORM, DENOMINATION AND TITLE

See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*

Mortgage Sale Agreement

The "Loan Warranties" to be given by the Seller will include, inter alia, the following warranties:

Loans

- (b) Each Loan (i) was originated by the Seller in the ordinary course of business pursuant to underwriting standards that were no less stringent than those that the Seller applied at the time of origination to similar loans that are not securitised and (ii) was denominated in pounds Sterling upon origination.

*Both notes and Loans are denominated in Sterling. In the absence of any currency mismatch, no currency hedging is therefore necessary.*

|                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                |
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| 36                                                                                                                                                                                                                                                                                                                                                    | <b>STS Criteria</b><br>36. Any measures taken to that effect shall be disclosed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Verified?</b><br><b>YES</b> |
|                                                                                                                                                                                                                                                                                                                                                       | <b>PCS Comments</b><br>See points 34 and 35 above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                |
| <b>Article 21.2.</b> 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.<br>Those derivatives shall be underwritten and documented according to common standards in international finance. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                |
| 37                                                                                                                                                                                                                                                                                                                                                    | <b>STS Criteria</b><br>37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Verified?</b><br><b>YES</b> |
|                                                                                                                                                                                                                                                                                                                                                       | <b>PCS Comments</b><br>See Prospectus, <i>REGULATORY REQUIREMENTS</i> .<br>Mitigation of interest rate risks<br>Except for the purpose of hedging interest-rate risk, the Issuer has not entered into and shall not enter into derivative contracts, for purposes of Article 21(2) of the UK Securitisation Regulation.                                                                                                                                                                                                                                                                  |                                |
| 38                                                                                                                                                                                                                                                                                                                                                    | <b>STS Criteria</b><br>38. ...Shall ensure that the pool of underlying exposures does not include derivatives.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Verified?</b><br><b>YES</b> |
|                                                                                                                                                                                                                                                                                                                                                       | <b>PCS Comments</b><br>See Prospectus, <i>THE LOANS</i> .<br>Characteristics of the Loans<br>The Loans do not include: (i) any transferable securities for purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for purposes of Article 21(2) of the UK Securitisation Regulation, in each case on the basis that the Loans have been entered into substantially on the terms of similar standard documentation for residential mortgages loans. |                                |
| 39                                                                                                                                                                                                                                                                                                                                                    | <b>STS Criteria</b><br>39. Those derivatives shall be underwritten and documented according to common standards in international finance.                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Verified?</b><br><b>YES</b> |
|                                                                                                                                                                                                                                                                                                                                                       | <b>PCS Comments</b><br>See Prospectus, <i>TRANSACTION OVERVIEW – CREDIT STRUCTURE AND CASHFLOW</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                |

**Interest Rate Swap**

On the Closing Date, the Interest Rate Swap Provider will enter into an ISDA Master Agreement (including a schedule and a credit support annex thereto and one or more confirmations thereunder) with the Issuer (as amended from time to time) (the "Interest Rate Swap Agreement").

See also underlying swap documents:

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

40

**STS Criteria**

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

**Verified?**  
**YES**

**PCS Comments**

See Prospectus.

Interest Rate

Compounded Daily SONIA

Benchmarks

Amounts payable on the Notes may be calculated by reference to the Sterling Overnight Index Average ("SONIA").

See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

Mortgage Sale Agreement

Interest Rates payable under the Loans

Each Loan in the Portfolio is either a Variable Rate Loan (including a Loan on which a margin either above or below the AMR is applied) or a Fixed Rate Loan.

See Prospectus, *THE LOANS*.

Characteristics of the Loans

(2) Interest payments and interest rate setting

The Seller has responded to the competitive mortgage market by developing a range of products that are used to attract new borrowers and retain existing customers. Interest on the Loans is charged on one of the following bases and the Seller is able to combine these to suit the requirements of the Borrower:

- Variable Rate Loans are those loans which are subject to a rate of interest which may at any time be varied in accordance with the relevant Mortgage Conditions (such rate being the relevant "Variable Rate"). Variable Rate Loans originated by the Seller are marketed by the Seller as bearing interest in accordance with the Aldermore Managed Rate ("AMR") which is the Seller's discretionary standard variable rate and which may be varied by the Seller in accordance with the reasons set out in the relevant Mortgage Conditions. The AMR was set at 8.73 per cent. on April 2023. Loans may be subject to an interest margin above or below the AMR.

- Fixed Rate Loans are loans which are subject to a fixed rate of interest for a specified period of time, usually for 2, 3 or 5 years.

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

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

**41 STS Criteria**

41. Where an enforcement or an acceleration notice has been delivered:

- (a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;

**Verified?**  
**YES**

**PCS Comments**

See Prospectus, *TRANSACTION OVERVIEW – CREDIT STRUCTURE AND CASHFLOW*.

Available Funds of the Issuer

See Prospectus, *CREDIT STRUCTURE*.

2. General Reserve Fund and General Reserve Ledger

Following service of a Note Acceleration Notice on the Issuer, monies standing to the credit of the General Reserve Fund will be applied in accordance with the Post-Acceleration Priority of Payments.

See Prospectus, *CASHFLOWS*.

Application of Principal Receipts to pay Remaining Revenue Deficiency

Following service of a Note Acceleration Notice on the Issuer, monies standing to the credit of the Principal Ledger will be applied in accordance with the Post-Acceleration Priority of Payments.

Distribution of Available Principal Receipts and Available Revenue Receipts Following the Service of a Note Acceleration Notice on the Issuer

*Post-Acceleration priority of payments indicates that no cash is trapped.*

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                |
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| 42 | <b>STS Criteria</b><br>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;                                                                                                                                                                                              | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See Prospectus, CASHFLOWS.<br>Distribution of Available Principal Receipts and Available Revenue Receipts Following the Service of a Note Acceleration Notice on the Issuer<br><i>Principal is paid sequentially under post enforcement order of priority.</i>                                                                                                                                                 |                                |
| 43 | <b>STS Criteria</b><br>43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and                                                                                                                                                                                                                                                                                                    | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See Prospectus, CASHFLOWS.<br>Distribution of Available Principal Receipts and Available Revenue Receipts Following the Service of a Note Acceleration Notice on the Issuer<br><i>The priority of payments post-enforcement maintains repayment in line with seniority.</i>                                                                                                                                    |                                |
| 44 | <b>STS Criteria</b><br>44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.                                                                                                                                                                                                                                                                                                         | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> .<br>Deed of Charge<br>For the purposes of Article 21(4)(d) of the UK Securitisation Regulation, no provision of the Deed of Charge requires automatic liquidation upon default.<br>See also underlying transaction documents: Deed of Charge.<br>7.5 No Automatic Liquidation<br>21.3 Discretionary Enforcement<br>21.4 Mandatory 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.

|                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                |                          |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>45</b>                                                                     | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                            | <b>Verified?<br/>YES</b> |
|                                                                               | 45. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold. |                          |
| <b>PCS Comments</b>                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                |                          |
| See Prospectus, CASHFLOWS.                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                |                          |
| <i>The transaction does not feature non-sequential priorities of payment.</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).

|                                                                        |                                                                                                                                                                                                                                                                                                                                                          |                          |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>46</b>                                                              | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                      | <b>Verified?<br/>YES</b> |
|                                                                        | 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:<br>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold; |                          |
| <b>PCS Comments</b>                                                    |                                                                                                                                                                                                                                                                                                                                                          |                          |
| <i>Not applicable, the transaction is not a revolving transaction.</i> |                                                                                                                                                                                                                                                                                                                                                          |                          |
| <b>47</b>                                                              | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                      | <b>Verified?<br/>YES</b> |
|                                                                        | 47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;                                                                                                                                                                                                                                                     |                          |
| <b>PCS Comments</b>                                                    |                                                                                                                                                                                                                                                                                                                                                          |                          |
| <i>Not applicable, the transaction is not a revolving transaction.</i> |                                                                                                                                                                                                                                                                                                                                                          |                          |



|    |                                                                                                                                                                                         |                                |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 48 | <b>STS Criteria</b><br>48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);                                | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br><i>Not applicable, the transaction is not a revolving transaction.</i>                                                                                           |                                |
| 49 | <b>STS Criteria</b><br>49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period). | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br><i>Not applicable, the transaction is not a revolving transaction.</i>                                                                                           |                                |

**Article 21.7.** The transaction documentation shall clearly specify:

- (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;
- (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and
- (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.

|    |                                                                                                                                                                                                                                                                |                                |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 50 | <b>STS Criteria</b><br>50. The transaction documentation shall clearly specify:<br>(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;                                | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> .<br>Servicing Agreement<br>Deed of Charge<br>Trust Deed<br>Agency Agreement<br>Cash Management Agreement<br>Bank Account Agreement<br>The Corporate Services Agreement |                                |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                        |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
|    | Swap Collateral Account Agreement<br>See also underlying corresponding transaction documents, which also describe the obligations and responsibilities of various service providers.                                                                                                                                                                                                                                                                                                   |                                        |
| 51 | <p><b>STS Criteria</b></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><b>Verified?</b><br/><b>YES</b></p> |
|    | <p><b>PCS Comments</b></p> <p>See Prospectus, <i>TRANSACTION OVERVIEW – PORTFOLIO AND SERVICING</i>.<br/>Servicing of the Portfolio<br/>See also Prospectus, <i>TRANSACTION OVERVIEW – TRIGGERS TABLES</i>.<br/>Non-Rating Triggers Table<br/>Servicer Termination Event<br/>See also underlying transaction documents: Servicing Agreement.</p> <p>20. TERMINATION<br/>21. APPOINTMENT OF REPLACEMENT SERVICER<br/>22. TERMINATION BY THE SERVICER<br/>23. ACTIONS ON TERMINATION</p> |                                        |
| 52 | <p><b>STS Criteria</b></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><b>Verified?</b><br/><b>YES</b></p> |
|    | <p><b>PCS Comments</b></p> <p>See also Prospectus, <i>TRANSACTION OVERVIEW – TRIGGERS TABLES</i>.<br/>Rating Triggers Table<br/>Interest Rate Swap Provider<br/>Account Bank<br/>Swap Collateral Account Bank<br/>See also underlying transaction documents:<br/>See Cash Management Agreement</p>                                                                                                                                                                                     |                                        |

## 5. PAYMENTS UNDER AND TERMINATION OF THE INTEREST RATE SWAP AGREEMENT

Bank Account Agreement.

## 10. TERMINATION

Swap Collateral Account Agreement

## 10. TERMINATION

**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 | <b>STS Criteria</b>                                                                                                                                                                 | 53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised                                     | <b>Verified?</b> |
|    |                                                                                                                                                                                     |                                                                                                                                           | <b>YES</b>       |
|    | <b>PCS Comments</b>                                                                                                                                                                 |                                                                                                                                           |                  |
|    | See Prospectus, <i>ALDERMORE BANK PLC</i> .                                                                                                                                         |                                                                                                                                           |                  |
|    | Business and Strategy of Aldermore                                                                                                                                                  |                                                                                                                                           |                  |
|    | Aldermore has more than ten years of experience in the origination, underwriting and servicing of mortgage loans similar to those included in the portfolio.                        |                                                                                                                                           |                  |
|    | <i>The EBA Guidelines provide that an entity that has serviced similar assets for at least five years will be deemed to meet the expertise criterion.</i>                           |                                                                                                                                           |                  |
| 54 | <b>STS Criteria</b>                                                                                                                                                                 | 54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures. | <b>Verified?</b> |
|    |                                                                                                                                                                                     |                                                                                                                                           | <b>YES</b>       |
|    | <b>PCS Comments</b>                                                                                                                                                                 |                                                                                                                                           |                  |
|    | See Prospectus, <i>TRANSACTION PARTIES ON THE CLOSING DATE</i> .                                                                                                                    |                                                                                                                                           |                  |
|    | Servicer: Aldermore Bank PLC                                                                                                                                                        |                                                                                                                                           |                  |
|    | See Prospectus, <i>ALDERMORE BANK PLC</i> .                                                                                                                                         |                                                                                                                                           |                  |
|    | Constitution                                                                                                                                                                        |                                                                                                                                           |                  |
|    | Aldermore is authorised by the PRA and the FCA and is registered under the Financial Services Compensation Scheme.                                                                  |                                                                                                                                           |                  |
|    | <i>The EBA Guidelines specify that this criterion should be considered to have the requisite elements of the criterion if it is a prudentially regulated financial institution.</i> |                                                                                                                                           |                  |

**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                                                            | <b>STS Criteria</b> | 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. | <b>Verified?</b><br><b>YES</b> |
|                                                               | <b>PCS Comments</b> |                                                                                                                                                                                                                                                                                                |                                |
| See Prospectus, <i>THE LOANS</i> .                            |                     |                                                                                                                                                                                                                                                                                                |                                |
| Seller's arrears policy                                       |                     |                                                                                                                                                                                                                                                                                                |                                |
| See underlying transaction documents: Mortgage Sale Agreement |                     |                                                                                                                                                                                                                                                                                                |                                |
| SCHEDULE 9                                                    |                     |                                                                                                                                                                                                                                                                                                |                                |
| Seller's Policies                                             |                     |                                                                                                                                                                                                                                                                                                |                                |

**Article 21.9.** The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.

|                                                                 |                     |                                                                                                                         |                                |
|-----------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 56                                                              | <b>STS Criteria</b> | 56. The transaction documentation shall clearly specify the priorities of payment,                                      | <b>Verified?</b><br><b>YES</b> |
|                                                                 | <b>PCS Comments</b> |                                                                                                                         |                                |
| See Prospectus, <i>CASHFLOWS</i> .                              |                     |                                                                                                                         |                                |
| 57                                                              | <b>STS Criteria</b> | 57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment. | <b>Verified?</b><br><b>YES</b> |
|                                                                 | <b>PCS Comments</b> |                                                                                                                         |                                |
| See Prospectus, <i>CASHFLOWS</i> .                              |                     |                                                                                                                         |                                |
| See also Prospectus, <i>TERMS AND CONDITIONS OF THE NOTES</i> . |                     |                                                                                                                         |                                |
| 10. EVENTS OF DEFAULT                                           |                     |                                                                                                                         |                                |

|    |                                                                                                                                                                                                                                                                                                                                                                                                               |                                |
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| 58 | <b>STS Criteria</b><br>58. The transaction documentation shall clearly specify the obligation to report such events.                                                                                                                                                                                                                                                                                          | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See Prospectus, CASHFLOWS.<br>Disclosure of modifications to the Priority of Payments<br>Any events which trigger changes to any Priority of Payments and any changes to Priority of Payments 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 | <b>STS Criteria</b><br>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.                                                                                                                                                                                                   | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See comment 60 above.                                                                                                                                                                                                                                                                                                                                                                  |                                |

**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 | <b>STS Criteria</b><br>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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Verified?</b><br><b>YES</b> |
|    | <b>PCS Comments</b><br>See Prospectus, <i>TERMS AND CONDITIONS OF THE NOTES</i> .<br>12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION<br>See also underlying transaction documents: Trust Deed<br>SCHEDULE 4<br>Provisions for Meetings of Noteholders<br><i>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, (b) the maximum timeframe for setting up a meeting, (c) the required quorum, (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision, (e) where applicable, a location for the meetings which should be in the UK:</i> |                                |

PCS notes that the Prospectus and Trust Deed cover the five provisions detailed in the EBA Guidelines.

(a) the method for calling meetings; as for method: Trust Deed, SCHEDULE 4, Provisions for Meetings of Noteholders, CONVENING OF MEETINGS, QUORUM AND ADJOURNED MEETINGS; (b) the maximum timeframe for setting up a meeting: Trust Deed, SCHEDULE 4, Provisions for Meetings of Noteholders, CONVENING OF MEETINGS, QUORUM AND ADJOURNED MEETINGS; (c) the required quorum: 12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION, 12.3 Quorum, Trust Deed, SCHEDULE 4, Provisions for Meetings of Noteholders, CONVENING OF MEETINGS, QUORUM AND ADJOURNED MEETINGS; (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision: SCHEDULE 4, Provisions for Meetings of Noteholders, DEFINITIONS, "Extraordinary Resolution", Ordinary Resolution"; (e) where applicable, a location for the meetings which should be in the UK: 12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION, 12.1 a location in the UK.

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

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

**PCS Comments**

See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

Trust Deed

See also Prospectus, *TERMS AND CONDITIONS OF THE NOTES*.

See also underlying transaction documents: Trust Deed

**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 | <b>STS Criteria</b><br>62. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Verified?</b><br><b>YES</b> |
|    | <p><b>PCS Comments</b></p> <p>See Prospectus, <i>CHARACTERISTICS OF THE PORTFOLIO</i>.</p> <p>Historical Performance Data</p> <p>Static and dynamic historical performance data in relation to loans originated by Aldermore will be made available on the website of European DataWarehouse (UK portal) at <a href="https://dealdocs.eurodw.co.uk/RMBSUK010247500120238/">https://dealdocs.eurodw.co.uk/RMBSUK010247500120238/</a> and European DataWarehouse (European portal) at <a href="https://editor.eurodw.eu">https://editor.eurodw.eu</a>. Such information will cover the period from at least 5 years.</p> <p>See Prospectus, <i>REGULATORY REQUIREMENTS</i>.</p> <p>Reporting under the UK Securitisation Regulation</p> <p>(f) make available, to the extent required by Article 22(1) of the UK Securitisation Regulation static and dynamic historical performance data in relation to the Loans (through the UK SR Repository) and ensure that such information covers a period of at least 5 years;</p> |                                |
| 63 | <b>STS Criteria</b><br>63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Verified?</b><br><b>YES</b> |
|    | <p><b>PCS Comments</b></p> <p>See point 62 above.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                |
| 64 | <b>STS Criteria</b><br>64. Those data shall cover a period no shorter than five years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Verified?</b><br><b>YES</b> |
|    | <p><b>PCS Comments</b></p> <p>See point 62 above.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                |

**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 | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Verified?<br>YES |
|    | 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,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |
|    | <b>PCS Comments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  |
|    | See Prospectus, <i>CHARACTERISTICS OF THE PORTFOLIO</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |
|    | Verification of data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                  |
|    | The Seller has caused a sample of the Loans (including the data disclosed in respect of those Loans) to be externally verified by an appropriate and independent third party. The Provisional Pool Date Portfolio has been subject to an agreed upon procedures review on a sample of loans selected from the Provisional Pool Date Portfolio conducted by a third-party and completed on or about 28 April 2023 with respect to the Provisional Pool Date Portfolio in existence as of 31 March 2023. This verification included the review of certain key warranties given by the Seller in respect of the Loans. No adverse findings arose from such review. The 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. |                  |
|    | <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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |
| 66 | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Verified?<br>YES |
|    | 66. Including verification that the data disclosed in respect of the underlying exposures is accurate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                  |
|    | <b>PCS Comments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  |
|    | See comment 65 above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                  |

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

|    |                                                                                                                                                                                                                                                                                                                                                      |                  |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 67 | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                  | Verified?<br>YES |
|    | 67. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE. |                  |
|    | <b>PCS Comments</b>                                                                                                                                                                                                                                                                                                                                  |                  |
|    | See Prospectus, <i>REGULATORY REQUIREMENTS</i> .                                                                                                                                                                                                                                                                                                     |                  |
|    | Reporting under the UK Securitisation Regulation                                                                                                                                                                                                                                                                                                     |                  |



Aldermore shall make available, as required by Article 22(3) of the UK Securitisation Regulation, to the holders of the Notes a cash flow model, either directly or indirectly through one or more entities which provide such cash flow models to investors and Aldermore in its capacity as originator shall procure that such cash flow model (i) precisely represents the contractual relationship between the Loans and the payments flowing between the Seller, investors in the Notes, other third parties and the Issuer, and (ii) is made available to investors in the Notes before pricing of the Notes and on an ongoing basis and to potential investors in the Notes upon request.

68

**STS Criteria**

68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.

**Verified?****YES****PCS Comments**

See comment 67 above.

**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**

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).

**Verified?****YES****PCS Comments**

See Prospectus, *CHARACTERISTICS OF THE PORTFOLIO*.

Environmental Performance

As at the Cut-Off Date, the administrative records of the Seller do not contain any information related to the environmental performance of the property securing the Loans.

*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 internal data base or IT systems.*

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

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>70</b> | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Verified?</b> |
|           | 70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>YES</b>       |
|           | <b>PCS Comments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                  |
|           | See Prospectus, <i>REGULATORY REQUIREMENTS</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |
|           | Designation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                  |
|           | For the purposes of Article 7(2) of the UK Securitisation Regulation, Aldermore (as originator) has been designated as the entity responsible for compliance with the UK Reporting Requirements. Aldermore has also contractually undertaken to provide (or to procure the provision of) certain information and reports as required pursuant to the EU Reporting Requirements as such requirements exist solely on the Closing Date (as if such requirements were applicable to it). To the extent that, after the Closing Date, there is any divergence between the requirements of Article 7 of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation, Aldermore has undertaken to only continue to comply, on a best endeavours basis, with such new requirements of Article 7 of the EU Securitisation Regulation (as if such provisions were applicable to it). Aldermore will either fulfil such UK Reporting Requirements and EU Reporting Requirements as described above itself or shall procure that such requirements are complied with on its behalf, provided that Aldermore will not be in breach of such undertakings if it fails to so comply due to events, actions or circumstances beyond its control after having used best endeavours to comply with the relevant requirements applicable to it under the UK Securitisation Regulation and the EU Securitisation Regulation. For the purposes of Article 22(5) of the UK Securitisation Regulation, Aldermore is the entity responsible for compliance with Article 7 of the UK Securitisation Regulation. |                  |

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

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                  |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>71</b> | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Verified?</b> |
|           | 71. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>YES</b>       |
|           | <b>PCS Comments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |
|           | See Prospectus, <i>REGULATORY REQUIREMENTS</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                  |
|           | Reporting under the UK Securitisation Regulation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                  |
|           | Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:                                                                                                                                                                                                                                                                                                           |                  |
|           | (b) procure the publication on a quarterly basis on each Interest Payment Date or shortly thereafter (and at the latest one month after the relevant Interest Payment Date and simultaneously with the investor report provided pursuant to paragraph (a) above) on the UK SR Repository of certain loan level information in relation to the Portfolio in the forms prescribed under Article 7 UK Technical Standards in respect of the relevant Collection Period (the "UK Loan Level Information") as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation; |                  |

|                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 72                                                                                                                                        | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  | Verified?<br>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.                                                                                                                                                                                                                                                                                |                  |
|                                                                                                                                           | <b>PCS Comments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  |                  |
|                                                                                                                                           | See Prospectus, <i>REGULATORY REQUIREMENTS</i> .                                                                                                                                                                                                                                                                                                                                                                                                     |                  |
|                                                                                                                                           | Reporting under the UK Securitisation Regulation                                                                                                                                                                                                                                                                                                                                                                                                     |                  |
|                                                                                                                                           | Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:                                                                                                                                                               |                  |
|                                                                                                                                           | (c) procure that the STS Notification is made available within 15 Business Days of the Closing Date via the FCA STS Register website at <a href="https://data.fca.org.uk/#/sts/stssecuritisations">https://data.fca.org.uk/#/sts/stssecuritisations</a> (or its successor website);                                                                                                                                                                  |                  |
|                                                                                                                                           | (e) procure that copies of the documents required pursuant to Article 7(1)(b) of the UK Securitisation Regulation (including the Transaction Documents, this Prospectus and any supplements thereto) are made available prior to the pricing of the Notes (and in final form within 15 days following the issuance of the Notes), via the UK SR Repository;                                                                                          |                  |
| <b>Article 22.5.</b> The final documentation shall be made available to investors at the latest 15 days after closing of the transaction. |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |
| 73                                                                                                                                        | <b>STS Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  | Verified?<br>YES |
|                                                                                                                                           | 73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.                                                                                                                                                                                                                                                                                                                             |                  |
|                                                                                                                                           | <b>PCS Comments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                  |                  |
|                                                                                                                                           | See Prospectus, <i>REGULATORY REQUIREMENTS</i> .                                                                                                                                                                                                                                                                                                                                                                                                     |                  |
|                                                                                                                                           | Reporting under the UK Securitisation Regulation                                                                                                                                                                                                                                                                                                                                                                                                     |                  |
|                                                                                                                                           | Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:                                                                                                                                                               |                  |
|                                                                                                                                           | (e) procure that copies of the documents required pursuant to Article 7(1)(b) of the UK Securitisation Regulation (including the Transaction Documents, this Prospectus and any supplements thereto) are made available prior to the pricing of the Notes (and in final form within 15 days following the issuance of the Notes), via the UK SR Repository;                                                                                          |                  |
|                                                                                                                                           | <i>This criterion speaks to document disclosure within 15 days of closing and therefore is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if it is not met within the specified 15-day period, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost.</i>                                                                            |                  |
|                                                                                                                                           | <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> |                  |

**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, *REGULATORY REQUIREMENTS*.

Reporting under the UK Securitisation Regulation

Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:

(b) procure the publication on a quarterly basis on each Interest Payment Date or shortly thereafter (and at the latest one month after the relevant Interest Payment Date and simultaneously with the investor report provided pursuant to paragraph (a) above) on the UK SR Repository of certain loan level information in relation to the Portfolio in the forms prescribed under Article 7 UK Technical Standards in respect of the relevant Collection Period (the "UK Loan Level Information") as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation;

See Prospectus, *SUMMARY OF THE KEY TRANSACTION DOCUMENTS*.

Cash Management Agreement

Investor Reports

Under the Cash Management Agreement, with the assistance of the Servicer, the Cash Manager will agree, to prepare and deliver by no later than the 18th Business Day of June 2023 (in relation to the first Investor Report only) and thereafter:

(i) by no later than 5.30pm on the 18th Business Day of each calendar month (other than in any calendar month where a Quarterly Investor Report is required to be delivered), the Monthly Investor Report; and (ii) on the relevant Interest Payment Date or shortly thereafter (and at the latest one month after the relevant Interest Payment Date), the Quarterly Investor Report.

The Quarterly Investor Report will be posted on the UK SR Repository and the EU SR Repository and the Monthly Investor Report and Quarterly Investor Report will be posted on the Aldermore website at [www.aldermore.co.uk](http://www.aldermore.co.uk) and the posting of the Investor Report on such websites will constitute the delivery of such Investor Report. The websites and the contents thereof do not form part of this Prospectus. Please also see the section "Regulatory Requirements" in respect of the content and availability of the Investor Report.

*Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under Criterion 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, *REGULATORY REQUIREMENTS*.

Reporting under the UK Securitisation Regulation

Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:

(e) procure that copies of the documents required pursuant to Article 7(1)(b) of the UK Securitisation Regulation (including the Transaction Documents, this Prospectus and any supplements thereto) are made available prior to the pricing of the Notes (and in final form within 15 days following the issuance of the Notes), via the UK SR Repository;

"Transaction Documents" means the Servicing Agreement, the Agency Agreement, the Bank Account Agreement, the Swap Collateral Account Agreement, the Cash Management Agreement, the Seller Collection Account Accession Undertaking, the Corporate Services Agreement, the Deed of Charge and any documents entered into pursuant to the Deed of Charge, the Interest Rate Swap Agreement, the Reporting Delegation Agreement, the Issuer Power of Attorney, the Master Definitions and Construction Schedule, the Mortgage Sale

Agreement, the Cross-Collateral Mortgage Rights Accession Deed, the Seller Power 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.

*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;

|           |                                                                                                                                                                                                                                                                                                                                                                                          |                                       |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>76</b> | <p><b><u>STS Criteria</u></b><br/>76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;</p>                                                                                                                                                                                                                          | <b><u>Verified?</u></b><br><b>YES</b> |
|           | <p><b><u>PCS Comments</u></b><br/>See Prospectus, <i>CASHFLOWS</i>.<br/>See underlying transaction documents:<br/>Deed of Charge<br/>6. PAYMENTS OUT OF THE BANK ACCOUNTS, AUTHORISED INVESTMENTS AND APPLICATION OF CASH PRIOR TO ACCELERATION<br/>7. PAYMENTS OUT OF THE BANK ACCOUNTS UPON ACCELERATION<br/>Cash Management Agreement<br/>SCHEDULE 1<br/>Cash Management Services</p> |                                       |

**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)<sup>1</sup> do not require a prospectus to be drawn up, a transaction summary or overview of the main features of the securitisation, including, where applicable:

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

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**STS Criteria**

77. (c) where section 85 of the 2000 Act (prohibition of dealing etc in transferable securities without approved prospectus) and rules made by the FCA for the purposes of Part 6 of the 2000 Act (official listing) do not require a prospectus to be drawn up, a transaction summary or overview of the main features of the securitisation, including, where applicable:

- (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.

*For UK Securitisation Regulation purposes, the Prospectus serves as a transaction summary. The Prospectus contains the required information under Article 7.1.*

**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;

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**STS Criteria**

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

**Verified?**  
**YES**

**PCS Comments**

See Prospectus, *REGULATORY REQUIREMENTS*.

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

Reporting under the UK Securitisation Regulation

Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:

(c) procure that the STS Notification is made available within 15 Business Days of the Closing Date via the FCA STS Register website at <https://data.fca.org.uk/#/sts/stssecuritisations> (or its successor website);

Within 15 Business Days of the Closing Date, it is intended that the Seller (as Originator) will submit an UK STS Notification to the FCA. The UK STS Notification will be available for inspection on the UK SR Repository and the EU SR Repository.

See also Prospectus.

Simple, Transparent and Standardised Securitisation

Within 15 Business Days of the Closing Date, it is intended that the Seller, as originator, will submit a notification (the "STS Notification") to the FCA as the relevant competent authority in the UK in accordance with Article 27 of the UK Securitisation Regulation that the requirements of Articles 19 to 22 of the UK Securitisation Regulation have been satisfied with respect to the Notes.

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

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

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

**79 STS Criteria**

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

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

**Verified?  
YES**

**PCS Comments**

See Prospectus, *REGULATORY REQUIREMENTS*.

Reporting under the UK Securitisation Regulation



Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:

(a) procure that a Quarterly Investor Report in respect of the relevant Collection Period is published on each Interest Payment Date or shortly thereafter (and at the latest one month after the relevant Interest Payment Date) on the website of European DataWarehouse (UK portal) at <https://dealdocs.eurowd.co.uk/RMBSUK010247500120238/>, being securitisation repository registered under Article 10 of the UK Securitisation Regulation (the "UK SR Repository") as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation. For the avoidance of doubt, such website and the contents thereof do not form part of this Prospectus;

See Prospectus, *CREDIT STRUCTURE AND CAHS FLOW*,

Cash Management

"Quarterly Investor Report " means the quarterly report provided by the Cash Manager, with the assistance of the Servicer, to the Issuer, the Note Trustee, the Seller, the Paying Agent, the Interest Rate Swap Provider, the Class A Noteholders and the Ratings Agencies in respect of the Issuer for the purposes of Article 7(1)(e) of the UK Securitisation Regulation and Article 7(1)(e) of the EU Securitisation Regulation (as such regulation is in force as at the Closing Date and as if such regulation was applicable to it) (including materially the same information as the Monthly Investor Report, save that such quarterly report will also include information in respect of the Notes and other liabilities) in the forms prescribed under UK Article 7 Technical Standards and EU Article 7 Technical Standards as at the Closing Date (and to the extent that, after the Closing Date, there is any divergence between the UK Article 7 Technical Standards and EU Article 7 Technical Standards, Aldermore will undertake to continue to comply, on a best endeavours basis only, with such new requirements of the EU Article 7 Technical Standards (as if such provisions were applicable to it), and provided pursuant to the Deed of Charge.

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

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

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

**80** **STS Criteria**

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

**Verified?**  
**YES**

**PCS Comments**

See Prospectus, *REGULATORY REQUIREMENTS*.

Reporting under the UK Securitisation Regulation

Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:

(d) procure the publication without delay via the UK SR Repository any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the UK Securitisation Regulation;

*Certain criteria from 73 onwards are future event criteria, as to which we refer you to PCS' comment under Criterion 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 comment 80 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, *REGULATORY REQUIREMENTS*.  
Reporting under the UK Securitisation Regulation

Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:

(b) procure the publication on a quarterly basis on each Interest Payment Date or shortly thereafter (and at the latest one month after the relevant Interest Payment Date and simultaneously with the investor report provided pursuant to paragraph (a) above) on the UK SR Repository of certain loan level information in relation to the Portfolio in the forms prescribed under Article 7 UK Technical Standards in respect of the relevant Collection Period (the "UK Loan Level Information") as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation;

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

**Article 7.1.** Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay. When complying with this paragraph, the originator, sponsor and SSPE of a securitisation shall comply with national and 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**

See Prospectus, *REGULATORY REQUIREMENTS*.

Reporting under the UK Securitisation Regulation

See Prospectus, *REGULATORY REQUIREMENTS*.

Reporting under the UK Securitisation Regulation

Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:

(d) procure the publication without delay via the UK SR Repository any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the UK Securitisation Regulation;

**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, *REGULATORY REQUIREMENTS*.

Reporting under the UK Securitisation Regulation

Aldermore (as originator) will (and in the case of items (b), (c), (e) and (f) has made such materials available in draft form to investors pre-pricing of the Notes) and will undertake to the Issuer in the Deed of Charge that for so long as any Notes remain outstanding it will:

(a) procure that a Quarterly Investor Report in respect of the relevant Collection Period is published on each Interest Payment Date or shortly thereafter (and at the latest one month after the relevant Interest Payment Date) on the website of European DataWarehouse (UK portal) at <https://dealdocs.eurowdw.co.uk/RMBSUK010247500120238/>, being securitisation repository registered under Article 10 of the UK Securitisation Regulation (the "UK SR Repository") as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation. For the avoidance of doubt, such website and the contents thereof do not form part of this Prospectus;

(b) procure the publication on a quarterly basis on each Interest Payment Date or shortly thereafter (and at the latest one month after the relevant Interest Payment Date and simultaneously with the investor report provided pursuant to paragraph (a) above) on the UK SR Repository of certain loan level information in relation to the Portfolio in the forms prescribed under Article 7 UK Technical Standards in respect of the relevant Collection Period (the "UK Loan Level Information") as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation;

(c) procure that the STS Notification is made available within 15 Business Days of the Closing Date via the FCA STS Register website at <https://data.fca.org.uk/#/sts/stssecuritisations> (or its successor website);

(d) procure the publication without delay via the UK SR Repository any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the UK Securitisation Regulation;

(e) procure that copies of the documents required pursuant to Article 7(1)(b) of the UK Securitisation Regulation (including the Transaction Documents, this Prospectus and any supplements thereto) are made available prior to the pricing of the Notes (and in final form within 15 days following the issuance of the Notes), via the UK SR Repository; and

(f) make available, to the extent required by Article 22(1) of the UK Securitisation Regulation static and dynamic historical performance data in relation to the Loans (through the UK Repository) and ensure that such information covers a period of at least 5 years;

See underlying transaction documents, Master Definitions and Construction Schedule,

"UK SR Repository" has the meaning given to such term in clause 13 (UK Securitisation Regulation and EU Securitisation Regulation) of the Deed of Charge;

See underlying transaction documents, Deed of Charge,

### 13. UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION

13.1 Aldermore (as originator) undertakes to the Issuer that it shall:

(b) procure that a Quarterly Investor Report in respect of the relevant Collection Period; is published on each Interest Payment Date or shortly thereafter (and at the latest one month after the relevant Interest Payment Date) on the website of European DataWarehouse (UK portal) at <https://editor.eurowdw.co.uk/>, being a securitisation repository registered under Article 10 of the UK Securitisation Regulation (the "UK SR Repository"), in connection with Aldermore's obligations under Article 7(1)(e) of the UK Securitisation Regulation;

(c) procure the publication on a quarterly basis on each Interest Payment Date or shortly thereafter (and at the latest one month after the relevant Interest Payment Date and simultaneously with the investor report provided pursuant to paragraph (b) above) on the UK SR Repository of certain loan-by-loan information in relation to the Portfolio in respect of the relevant Collection Period (the "UK Loan-by-Loan Level Information") as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation;

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

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#### **STS Criteria**

85. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.

**Verified?**  
**YES**

#### **PCS Comments**

See Prospectus, *REGULATORY REQUIREMENTS*.

#### Designation

For the purposes of Article 7(2) of the UK Securitisation Regulation, Aldermore (as originator) has been designated as the entity responsible for compliance with the UK Reporting Requirements. Aldermore has also contractually undertaken to provide (or to procure the provision of) certain information and reports as required pursuant to the EU Reporting Requirements as such requirements exist solely on the Closing Date (as if such requirements were applicable to it). To the extent that, after the Closing Date, there is any divergence between the requirements of Article 7 of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation, Aldermore has undertaken to only continue to comply, on a best endeavours basis, with such new requirements of Article 7 of the EU Securitisation Regulation (as if such provisions were applicable to it). Aldermore will either fulfil such UK Reporting Requirements and EU Reporting Requirements as described above itself or shall procure that such requirements are complied with on its behalf, provided that Aldermore will not be in breach of such undertakings if it fails to so comply due to events, actions or circumstances beyond its control after having used best endeavours to comply with the relevant requirements applicable to it under the UK Securitisation Regulation and the EU Securitisation Regulation. For the purposes of Article 22(5) of the UK Securitisation Regulation, Aldermore is the entity responsible for compliance with Article 7 of the UK Securitisation Regulation.

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