

STS Term Verification Checklist

ORBITA FUNDING 2023-1 PLC



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

13th November 2023

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

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

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

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

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

13th November 2023

STS Disclaimer

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

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

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

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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	Mark Lewis
Date of Verification	13 November 2023
The transaction to be verified (the "Transaction")	ORBITA FUNDING 2023-1 PLC
Issuer	ORBITA FUNDING 2023-1 PLC
Originator	Close Brothers Limited
Lead Manager(s)	BofA Securities, Lloyds Bank Corporate Markets and NatWest Markets
Transaction Legal Counsel	Clifford Chance LLP
Rating Agencies	Fitch and Moody's
Stock Exchange	London Stock Exchange
Closing Date	13 November 2023

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

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

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

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

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

1	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.</p>	
	<p><u>PCS Comments</u></p> <p>See Prospectus, RISK FACTORS.</p> <p>GENERAL LEGAL CONSIDERATIONS</p> <p>Equitable Assignment</p> <p>The assignment by the Seller of the English Receivables and the Northern Irish Receivables will take effect in equity only because no notice of the assignment will be given to Obligors unless a Perfection Event shall have occurred. The Issuer will assign to the Trustee by way of security, among other things, the Issuer's interest in the Purchased Receivables.</p> <p>Legal title to the Scottish Receivables will remain with the Seller because no formal assignation thereof duly intimated to the relevant customers will be made unless a Perfection Event shall have occurred. The legal position of the Issuer and the Seller in respect of the Scottish Receivables is substantially in accordance with that set out above in relation to the holding of an equitable or beneficial interest in the English Receivables and the Northern Irish Receivables.</p> <p>No Right, Title or Interest in the Vehicles:</p> <p>The Seller will only transfer the benefit of the Purchased Receivables, which will consist of unsecured monetary obligations of Obligors under the Contracts, and the proceeds (net of associated expenses) of contracts for the sale (conditional sale, use or other disposition) of any Vehicles following their repossession or recovery by the Seller or its agents if such contracts are governed by English law or the laws of Northern Ireland; if such contracts are governed by Scots law any net proceeds of such contracts will be subject to a floating charge granted by the Seller to the Issuer (the "Scottish Vehicle Sale Proceeds Floating Charge"), the Issuer will rely on the Seller to fulfil its contractual undertaking to pay to the Issuer any net proceeds of such contracts.</p> <p>The Issuer will not receive any right, title or interest in the Vehicles themselves which are the underlying subject matter of the Contracts and will have no direct right to repossess a Vehicle if an Obligor defaults under his Contracts. See Prospectus, OVERVIEW OF THE TRANSACTION DOCUMENTS - Receivables Sale and Purchase Agreement</p> <p>General:</p> <p>Pursuant to the Receivables Sale and Purchase Agreement: (i) the Seller will on the Closing Date sell to the Issuer the Receivables comprised in The Provisional Portfolio and the Related Rights relating to such Receivables; and (ii) the Seller may on any Additional Portfolio Purchase Date during the Revolving Period sell to the Issuer additional Receivables comprised in an Additional Portfolio and the Related Rights relating to such Purchased Receivables. Receivables comprised in any Additional Portfolio may be held in a special purpose vehicle used for warehousing purposes prior to sale by the Seller to the Issuer.</p> <p>See also The Seller, the Servicer and the Receivables</p> <p><i>PCS notes that the Receivables arise under fixed interest rate agreements. Legal title in the Vehicle is retained by CBMF until payment of all the instalments has been made, and if relevant, any option to purchase is exercised. All of the Contracts, with the exception of PCP Contracts provide for level monthly payments of instalments that amortise the amount financed over the term.</i></p> <p><i>"True sale" is not a legal concept but a rating agency creation.</i></p>	

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

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

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

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

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

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

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

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

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

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

In the case of the Transaction, the assets are transferred by means of an equitable assignment.

The legal opinion from Clifford Chance confirms that an equitable assignment meets the definition of “true sale” outlined above. PCS has also reviewed the Scottish and Northern Ireland legal opinions to its satisfaction. PCS has also reviewed the legal opinion and other information relating to a prior warehouse facility on certain of the assets to its satisfaction.

In the case of Close Brothers Limited, a finance provider incorporated in England and Wales, 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 opinion, 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	<u>STS Criteria</u>	<u>Verified?</u> YES
	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.	
<u>PCS Comments</u>		
COMI is in the UK. The UK does not have severe clawback provisions. See comment under checklist point 1.		

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

3	<u>STS Criteria</u>	<u>Verified?</u> YES
	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.	
<u>PCS Comments</u>		
See Prospectus, The Provisional Portfolio		
General		
The Portfolio will be comprised of Receivables selected randomly from Eligible Receivables originated by the Seller and purchased by the Issuer on the Closing Date and on any Additional Portfolio Purchase Date. The Receivables in The Provisional Portfolio to be purchased by the Issuer on the Closing Date will be Receivables selected from the Provisional Portfolio and from other Receivables not included in the Provisional Portfolio that have been originated by the Seller between the Provisional Cut-Off Date and the Initial Cut-Off Date. All Receivables in the Portfolio are derived from the Contracts.		
The Purchased Receivables which comprise the Portfolio will be purchased (and, as applicable, held under the relevant Scottish Declaration of Trust) by the Issuer from Close Brothers Limited as Seller pursuant to the terms of the Receivables Sale and Purchase Agreement to be entered into on the Closing Date.		
Overview of the Transaction Documents		
Pursuant to the Receivables Sale and Purchase Agreement: (i) the Seller will on the Closing Date sell to the Issuer the Receivables comprised in The Provisional Portfolio and the Related Rights relating to such Receivables; and (ii) the Seller may on any Additional Portfolio Purchase Date during the Revolving Period sell to the Issuer additional Receivables comprised in an Additional Portfolio and the Related Rights relating to such Purchased Receivables. Receivables comprised in any Additional Portfolio may be held in a special purpose vehicle used for warehousing purposes prior to sale by the Seller to the Issuer.		

PCS has also reviewed the legal opinion and other information relating to a prior warehouse facility on certain of the assets to its satisfaction.

The Prospectus indicates that all receivables were originated by Close Brothers Limited. The Prospectus and documents also indicate that only Close Brothers Limited is selling the securitised assets to the SSPE.

Article 20.5. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:

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

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STS Criteria

4. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:

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

Verified?
YES

PCS Comments

- (a) See Prospectus, Severe Deterioration Event which is Perfection Event (e), See definition of "Severe Deterioration Event".
- (b) See Prospectus, Perfection Event (d)
- (c) See Prospectus, Perfection Event (f)

THE PORTFOLIO AND SERVICING

The Sale of Receivables

The assignment by the Seller of the English Receivables and the Northern Irish Receivables will take effect in equity only because no notice of the assignment will be given to Obligors unless a Perfection Event shall have occurred. The Issuer will assign to the Trustee by way of security, among other things, the Issuer's interest in the Purchased Receivables.

Legal title to the Scottish Receivables will remain with the Seller because no formal assignation thereof duly intimated to the relevant customers will be made unless a Perfection Event shall have occurred. The legal position of the Issuer and the Seller in respect of the Scottish Receivables is substantially in accordance with that set out above in relation to the holding of an equitable or beneficial interest in the English Receivables and the Northern Irish Receivables.

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.

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	<p><u>STS Criteria</u></p> <p>5. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.</p>	<p><u>Verified?</u></p> <p>YES</p>
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PCS Comments

See Prospectus, OVERVIEW OF THE TRANSACTION DOCUMENTS.

Representations and Warranties (b) (also see definition of Adverse Claim) and Eligible Receivable (c)

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

6	<p><u>STS Criteria</u></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><u>Verified?</u></p> <p>YES</p>
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PCS Comments

See Prospectus, OVERVIEW OF THE TRANSACTION DOCUMENTS - Receivables Sale and Purchase Agreement

See “Eligible Contract” and “Eligible Receivable”

Representations and Warranties given by the Seller:

(a) each such Receivable is an Eligible Receivable, and no adverse selection process was used by the Seller in selecting any such Receivable from those other Receivables which would have been Purchased Receivables had they been sold by the Seller to the Issuer, on such date

See “Eligible Contract” and “Eligible Receivable”

"Eligible Receivable" means a Purchased Receivable which satisfies each of the following criteria:

(a) such Purchased Receivable arises under an Eligible Contract relating to the supply of a new or used car, motorcycle or (other than in relation to PCP Receivables) light commercial vehicle;

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

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

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STS Criteria

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

Verified?

YES

PCS Comments

See the following:

- Redemption (a) Mandatory in whole at Final Maturity Date (b) Mandatory in part as set out in terms and conditions 6.3 (priority of payments) (c) Optional redemption 10% clean-up call for tax reasons (d) Optional Redemption for tax reasons

- Receivables Call Option

Under the Receivables Sale and Purchase Agreement, the Seller will be granted the Receivables Call Option, which will entitle the Seller, following the earlier of (a) the sale of the relevant Vehicle in accordance with the terms of the Receivables Sale and Purchase Agreement and allocation of the sale proceeds of the relevant Vehicle to the outstanding amount under the related contract and, (b) a Defaulted Receivable, Returned PCP Receivable or Voluntarily Terminated Receivable being written off as uncollectable by the Servicer in accordance with the Seller's Credit and Collection Procedures but prior to the occurrence of an Insolvency Event of the Seller, to repurchase, and (if the Seller has decided to make such purchase) oblige the Issuer to sell, any Purchased Receivable which has become a Defaulted Receivable, Returned PCP Receivable or Voluntarily Terminated Receivable for an amount equal to the Optional Repurchase Payment.

- Repurchase of the Receivables and Related Rights "To the extent that a representation or warranty given by the Seller in respect of a Purchased Receivable proves to have been incorrect on the date on which such representation and warranty was made (other than by reason of a Related Contract being determined illegal, invalid, non binding or unenforceable under the CCA or the FSMA or subject to a right to cancel or a right to withdraw under the CCA), including where a Non Permitted Variation has been made in respect of the relevant Receivable (each such affected Receivable being a "Non-Compliant Receivable") and, if applicable, the relevant breach cannot be remedied, or if the relevant Purchased Receivable never existed or has ceased to exist such that it is not outstanding as at the date of the repurchase, the Seller will be required to repurchase such Purchased Receivable..."

- STS Call Option "Pursuant to the terms of the Receivables Sale and Purchase Agreement, the Seller may, but will not be required to, by way of notice to the Issuer and the Trustee, repurchase from the Issuer any Receivable and its Related Rights sold to the Issuer pursuant to the Receivables Sale and Purchase Agreement..."

- Clean-Up Call "Pursuant to the terms of the Receivables Sale and Purchase Agreement, on any Interest Payment Date on which, following application of all Available Revenue Receipts and Available Principal Receipts on such Interest Payment Date: (Aa) the aggregate Outstanding Principal Balance of all of the Purchased Receivables is equal to or less than 10 per cent. of the aggregate Outstanding Principal Balance of all of the Purchased Receivables as at the Closing Date and/or (Bb) the Class A Rated Notes have been or will, following application of Available Revenue Receipts and Available Principal Receipts on such Interest Payment Date, be redeemed in full, the Seller shall be entitled (but will not be obliged), on such Interest Payment Date, to offer to repurchase (which the Issuer may or may not in its discretion accept) the benefit of all Purchased Receivables then owned by (or held in trust by the Seller pursuant to the Transaction Documents for) the Issuer for the Final Repurchase Price."

	<p>The EBA Guidelines set out seven devices to repurchase securitised assets which are not to be considered indicative of “active portfolio management”. To the extent that a transaction only contains some or all of those seven devices and does not provide any other form of repurchase, then the STS criterion will be met. If the transaction should contain a repurchase device that is not included in the EBA’s list, then an analysis will need to be conducted as to whether this additional device offends against the principles set out in the EBA Guidelines (15.a and b) as defining “active portfolio management”.</p> <p>PCS has reviewed the repurchase devices set out in the Prospectus and each is one of the seven allowable repurchase devices.</p>	
8	<p>STS Criteria</p> <p>8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>The transaction is revolving:</p> <p>“Representations and Warranties”, “Eligible Contract” and “Eligible Receivable” criteria apply to all purchases.</p>	

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

9	<p>STS Criteria</p> <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>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, THE SELLER, THE SERVICER AND THE RECEIVABLES - (see “– Underwriting” and “– Servicing and Collections”).</p> <p>Sections on: The Receivables, The Contracts, Auto Receivables, Origination and Underwriting.</p> <p>Eligible Contract (a) and (c) and Eligible Receivable (a)</p> <p>In the Transaction, the receivables were underwritten on a similar basis, they are being serviced by Close Brothers Limited on the same platform, they are a single asset class – auto loans and leases – and, based on the EBA’s suggested approach, the receivables are all originated in the same jurisdiction. 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.</p> <p><i>PCS has carried out further due diligence including written materials which further confirms the point.</i></p>	
10	<p>STS Criteria</p> <p>10. The underlying exposures shall contain obligations that are contractually binding and enforceable.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, OVERVIEW OF THE TRANSACTION DOCUMENTS</p>	

Receivables Sale Agreement – Eligible Receivable, (b) such Purchased Receivable is in full force and effect and constitutes the legal, valid, binding and enforceable obligation of the Obligor in respect thereof, subject only to (i) applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting the enforcement of the rights of creditors generally and (ii) the effect of principles of equity, if applicable;		
11	<p>STS Criteria</p> <p>11. With full recourse to debtors and, where applicable, guarantors.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, The Provisional Portfolio – The Receivables</p> <p>“The Receivables are comprised of amounts due under the Contracts (and therefore do not include any transferable securities or securitisation positions). The Contracts are full recourse auto leases entered into by retail customers and small businesses/commercial customers that are resident in England, Scotland or Northern Ireland, and do not include restructured debts. The Contracts are available for both new and used vehicles.”</p>	

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

12	<p>STS Criteria</p> <p>12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See “The Provisional Portfolio”</p> <p>Conditional Sale, Hire Purchase Contracts (other than PCP Contracts) and Hire Purchase Contracts (PCP Contracts).</p> <p>See also, THE SELLER, THE SERVICER AND THE RECEIVABLES “The Contracts” and Auto Receivables”.</p>	
13	<p>STS Criteria</p> <p>13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See “The Provisional Portfolio”</p> <p>Conditional Sale, Hire Purchase Contracts (other than PCP Contracts) and Hire Purchase Contracts (PCP Contracts).</p> <p>See also, THE SELLER, THE SERVICER AND THE RECEIVABLES “The Contracts” and Auto Receivables”.</p> <p>Under the Receivables Sale and Purchase Agreement, the Seller will assign and transfer (and, as applicable, hold under each Scottish Declaration of Trust) to the Issuer the Purchased Receivables and Related Rights...</p> <p>“Related Rights” means, with respect to any Receivable, all of the Seller’s right, title and interest in, to and under:</p>	

- (a) the Contract and other Records relating to such Receivable;
- (b) all security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the Contract relating to such Receivable or otherwise, together with all security agreements describing any collateral securing such Receivable; and
- (c) (to the extent such are capable of assignment or assignation or being held on trust) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable (other than title to the related Vehicle), and the proceeds thereof, whether pursuant to the Contract relating to such Receivable or otherwise, including (without limitation) all rights which the Seller may have against the relevant Dealer; and
- (d) the right to receive the Vehicle Sale Proceeds;

Article 20.8. The underlying exposures shall not include transferable securities, as defined in Article 4(1), (24) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.

14	STS Criteria 14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), (24) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.	Verified? YES
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PCS Comments

See Prospectus, THE PROVISIONAL PORTFOLIO – The Receivables.

“The Receivables are comprised of amounts due under the Contracts (and therefore do not include any transferable securities or securitisation positions). The Contracts are full recourse auto leases entered into by retail customers and small businesses/commercial customers that are resident in England, Scotland or Northern Ireland, and do not include restructured debts. The Contracts are available for both new and used vehicles.”

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

15	STS Criteria 15. The underlying exposures shall not include any securitisation position.	Verified? YES
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PCS Comments

See Prospectus, THE PROVISIONAL PORTFOLIO – The Receivables.

“The Receivables are comprised of amounts due under the Contracts (and therefore do not include any transferable securities or securitisation positions). The Contracts are full recourse auto leases entered into by retail customers and small businesses/commercial customers that are resident in England, Scotland or Northern Ireland, and do not include restructured debts. The Contracts are available for both new and used vehicles.”

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

16	STS Criteria 16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.	Verified? YES
	PCS Comments See Prospectus, Receivables Sale and Purchase Agreement - Eligible Contract "(d) such Contract has been originated in the Seller's ordinary course of business; and in material compliance with the applicable requirements of the Credit and Collection Procedures without any conduct constituting fraud;"	
17	STS Criteria 17. Pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.	Verified? YES
	PCS Comments See Prospectus, Receivables Sale and Purchase Agreement - Eligible Contract "(d) such Contract has been originated in the Seller's ordinary course of business; and in material compliance with the applicable requirements of the Credit and Collection Procedures without any conduct constituting fraud;" See THE SELLER, THE SERVICER AND THE RECEIVABLES – Underwriting - "the Portfolio was originated in the ordinary course of CBMF's business and in accordance with the foregoing criteria and processes, which were applied irrespective of whether the Receivables were to be securitised."	

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

18	STS Criteria 18. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.	Verified? YES
	PCS Comments See Prospectus, "Material Changes to Credit and Internal Control Policy comprised within the Credit and Collection Procedures Any changes to the credit or internal control policies must be approved by the motor risk and compliance committee, with material changes also requiring approval by the Credit Risk Management Committee. Any material changes to CBMF's credit standards described in this Prospectus that apply in relation to any Additional Portfolio will be disclosed to potential investors without undue delay." Although somewhat confusingly drafted, the EBA Guidelines make clear that the part of the criterion referring to changes from prior underwriting is a future event criterion. It applies changes in underwriting criteria that occur post-closing. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost.	

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

Article 20.10. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.

19	STS Criteria 19. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.	Verified? YES
	PCS Comments <i>Not applicable.</i>	

Article 20.10. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.

20	STS Criteria 20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.	Verified? YES
	PCS Comments The first paragraph of the section entitled "The Seller, the Servicer and the Receivables" confirms that Close Brothers Limited is regulated by the FCA and PRA. Additionally, the definition of Eligible Contract includes that the form, terms and related procedures of each Contract regulated by the CCA comply in all material respects with any applicable requirements of the CCA. In relation to unregulated contracts, a combination of the disclosure in the "The Seller, the Servicer and the Receivables" section, as well as the existing reps and warranties, should be sufficient to satisfy this criterion together with the section on "Underwriting"... <p>"All CBMF proposals are credit scored and can reach an automated decision or be passed to a specialist underwriter for manual review. The assessment considers various internal and external data sources available to determine the customer and asset risk profile. This also includes a proportionate affordability assessment. The assessment of a prospective obligor's creditworthiness is conducted in accordance with the Seller's Credit and Collection Procedures and, where appropriate, to meet the requirements set out in Article 8 of Directive 2008/48/EC."</p> <p>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.</p> <p>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.</p>	

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

21	STS Criteria	Verified? YES
	21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	
PCS Comments		
Close Brothers is a regulated bank with more than 5 years' experience of originating exposures of a similar nature to those securitised – See THE SELLER, THE SERVICER AND THE RECEIVABLES and “Historical Performance Data”		

Article 20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...

22	STS Criteria	Verified? YES
	22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	
PCS Comments		
See “Initial Cut-off Date” and “Additional Cut-off Date” definitions. <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>		
23	STS Criteria	Verified? YES
	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...	
PCS Comments		
See Prospectus:		
1. Eligibility Receivable (e) “such Purchased Receivable is due from an Obligor who does not have a credit assessment indicating as at the relevant origination date and, to the best of the Seller’s knowledge, as at the Initial Cut-Off Date (in the case of a Receivable in the Initial Portfolio) or the relevant Additional Cut-Off Date (in the case of a Receivable in any Additional Portfolio), based on the Seller’s Credit and Collection Procedures, a significant risk that contractually agreed payments will not be made”		
2. Eligible Receivable (h) “such Purchased Receivable is not more than one Monthly Payment in arrears;”		

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

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

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

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

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

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

24	STS Criteria 24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator’s or original lender’s knowledge:	Verified? YES
	PCS Comments <i>See 25-29 below.</i>	
25	STS Criteria 25.(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.	Verified? YES
	PCS Comments See: 1. Eligible Contract (g) and (h) 2. THE SELLER, THE SERVICER AND THE RECEIVABLES – Underwriting “Any Receivables where the Obligor had a bankruptcy or IVA or county court judgment recorded on their respective origination date or within the three years prior to their respective origination date will be excluded from the Portfolio.”	

26	<p>STS Criteria</p> <p>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:</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See - The Provisional Portfolio – The Receivables</p> <p>“The Contracts are full recourse auto leases entered into by retail customers and small businesses/commercial customers that are resident in England, Scotland or Northern Ireland, and do not include restructured debts. The Contracts are available for both new and used vehicles.”</p>	
27	<p>STS Criteria</p> <p>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</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>No restructured loans are included in the portfolio.</p>	
28	<p>STS Criteria</p> <p>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;</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>No restructured loans are included in the portfolio.</p>	
29	<p>STS Criteria</p> <p>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;</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, THE SELLER, THE SERVICER AND THE RECEIVABLES - Underwriting</p> <p>“Any Receivables where the Obligor had a bankruptcy or IVA or county court judgment recorded on their respective origination date or within the three years prior to their respective origination date will be excluded from the Portfolio.”</p> <p><i>Together with the EBA guidance on the topic, this point is met.</i></p>	

30	STS Criteria	30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.	Verified? YES
	PCS Comments	Eligible Receivable (e), The Provisional Portfolio – General and the asset selection criteria. "The Portfolio will be comprised of Receivables selected randomly from Eligible Receivables originated by the Seller and purchased by the Issuer on the Closing Date and on any Additional Portfolio Purchase Date."	

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

31	STS Criteria	31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.	Verified? YES
	PCS Comments	See Eligible Receivables "(f) in respect of which the Obligor has made at least one full payment to the Seller;".	

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

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

32	STS Criteria	32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.	Verified? YES
	PCS Comments	The transaction does contain residual value with respect to the assets but the proportions are below the 50% EBA guideline at the initial Cut-Off Date and any Additional cut-off Dates. See The Provisional Portfolio Data and the Concentration Limit Tests (in particular, (i)) in the Prospectus.	

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

33	<u>STS Criteria</u> 33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus – Securitisation Regulations “The Seller, as "originator" for the purposes of the UK Securitisation Regulation, will retain on an ongoing basis a material net economic interest in the securitisation of not less than 5% as required by Article 6(1) of the UK Securitisation Regulation until the Final Redemption Date, by retaining the first loss tranche so that the retention equals in total not less than 5% of the nominal value of the securitised exposures in accordance with Article 6(3)(d) of the UK Securitisation Regulation.”	

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

34	<u>STS Criteria</u> 34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, CREDIT STRUCTURE, LIQUIDITY AND HEDGING The Swap Agreement “On or prior to the Closing Date, the Issuer will enter into one or more fixed/floating interest rate swap transactions with the Swap Counterparty, each under an International Swaps and Derivatives Association Inc. 1992 Master Agreement, in order to address certain risks arising as a result of a fixed rate of interest payable under the Purchased Receivables and the floating rate of interest payable by the Issuer under the Rated Notes. At the commencement of each relevant period in respect of the interest rate swap transaction documented by the Swap Agreement, the notional amount of such interest rate swap transaction will be equal to the lesser of the Principal Amount Outstanding of the Rated Notes for that period and the notional amount in respect of the immediately preceding period (subject to a cap as set out in the Swap Agreement).” See Prospectus, RISK FACTORS, Interest Rate Risk.	
35	<u>STS Criteria</u> 35. Currency risks arising from the securitisation shall be appropriately mitigated.	<u>Verified?</u> YES
	<u>PCS Comments</u> <i>Both the Notes and underlying assets are both denominated in Sterling.</i>	

36	STS Criteria	Verified? YES
	<p>36. Any measures taken to that effect shall be disclosed.</p> <p>PCS Comments</p> <p>See Prospectus, CREDIT STRUCTURE, LIQUIDITY AND HEDGING</p> <p>The Swap Agreement</p> <p>See Prospectus, RISK FACTORS, Interest Rate Risk.</p> <p><i>Clearly and explicitly, "appropriate" hedging does not require "perfect" hedging. This is confirmed by the EBA Guidelines which require the hedges to cover a "major share" of the risk from an "economic perspective". However, the definition of "appropriate" hedging or a "major share" of the risk will always contain an element of subjectivity and must be analysed on a case-by-case basis.</i></p> <p><i>The fact that the Regulation was crafted by the legislators to recognise existing high-quality European securitisations rather than raise the bar to a level not previously encountered, together with the common-sense approach of the EBA, leads to the conclusion that transactions considered adequately hedged by common investor and rating agency consensus should be held to meet this criterion.</i></p> <p><i>This still requires an analysis of the matter. Since PCS is not a quantitative analysis provider or a credit rating agency, our verification is based on a second-hand analysis which focuses on:</i></p> <ul style="list-style-type: none"> • <i>A statement in the Prospectus or other document setting out the boundary conditions of the hedging. This should state in effect how far the hedging stretches and under what scenario's it will break. For example, if interbank rates rise above X%. This will provide a common-sense feel for whether, at first glance, the hedging is reasonable.</i> • <i>Risk Factors section of the prospectus to check that no statements refer to the risks of "unhedged positions". This is based on the legal requirement to disclose any relevant information to investors. If the originator or its advisers believed that the hedging in a transaction was unusually light, this should be disclosed in the Risk Section.</i> • <i>The "pre-sale" report from a recognised credit rating agency (if used) so as to identify any issues with hedging. Again, rating agencies as credit specialists should highlight in their analysis any substantial and unusual hedging risks.</i> <p><i>In the case of the Transaction, payments from the receivables include fixed rate payments, while notes include floating rate (SONIA linked) payments. 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.</i></p>	

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

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

37	STS Criteria	Verified? YES
	<p>37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...</p> <p>PCS Comments</p> <p>See Prospectus, TERMS AND CONDITIONS OF THE NOTES.</p> <p>3. Covenants</p>	

	3.1 Save with the prior written consent of the Trustee or unless otherwise permitted or contemplated under any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding: (k) Derivatives: enter into any derivatives or any hedging contracts having the same economic effect as a derivative.	
38	STS Criteria 38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	Verified? YES
	PCS Comments See "Eligible Contract" and "Eligible Receivable". See Terms and Conditions of the Notes - Condition 3.1(k) providing that the Issuer will not enter into any derivatives or any hedging contracts have the same economic effect as a derivative.	
39	STS Criteria 39. Those derivatives shall be underwritten and documented according to common standards in international finance.	Verified? YES
	PCS Comments See Prospectus, TERMS AND CONDITIONS OF THE NOTES. "Swap Agreement" means an International Swaps and Derivatives Association Inc 1992 Master Agreement, the schedule thereto, any credit support annexes or other credit support documents related thereto and each swap transaction confirmation thereunder, entered into between the Issuer and the Swap Counterparty on or prior to the Closing Date and the swap transactions effected thereunder (or such replacement swap agreement as the Issuer may enter into in accordance with the Transaction 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 <i>The assets are fixed rate, the Class A1 and A2, B and C Notes are floating rate (SONIA), and the Subordinated Notes are Fixed rate. This criterion is therefore met.</i>	

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, CASH MANAGEMENT – Post-Acceleration Priority of Payments. <i>This criterion is met.</i>	
42	STS Criteria 42. (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;	Verified? YES
	PCS Comments See Prospectus, CASH MANAGEMENT – Post-Acceleration Priority of Payments. <i>This criterion is met.</i>	
43	STS Criteria 43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	Verified? YES
	PCS Comments See Prospectus, CASH MANAGEMENT – Post-Acceleration Priority of Payments. <i>This criterion is met.</i>	

44	STS Criteria 44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.	Verified? YES
	PCS Comments Security – Deed of Charge Rights over the Proceeds In the event that the security over the Charged Property becomes enforceable, the Issuer has granted the Trustee the right to direct the Issuer as to how to deal with the Charged Property, but no provision of the Deed of Charge or any Scottish Supplemental Charge requires automatic liquidation of the Purchased Receivables. <i>There are no provisions that require automatic liquidation of the underlying exposures at market value.</i>	

Article 21.5. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.

45	STS Criteria 45. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.	Verified? YES
	PCS Comments See Prospectus, CASH MANAGEMENT - Pre-Acceleration Principal Priority of Payments. <i>The Transaction does not have such non-sequential priorities.</i>	

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

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

46	STS Criteria 46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following: (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;	Verified? YES
	PCS Comments <i>There is a revolving period.</i> Revolving Period Termination Event (f)	
47	STS Criteria 47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;	Verified? YES
	PCS Comments Revolving Period Termination Event (a) and (b)	
48	STS Criteria 48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);	Verified? YES
	PCS Comments Revolving Period Termination Event (h) and (i)	
49	STS Criteria 49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).	Verified? YES
	PCS Comments Revolving Period Termination Event (h)	

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	<p><u>STS Criteria</u></p> <p>50. The transaction documentation shall clearly specify:</p> <p>(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, OVERVIEW OF THE TRANSACTION DOCUMENTS</p> <p>Servicing Agreement</p> <p>Cash Management Agreement</p> <p>Account Bank Agreement</p> <p>Agency Agreement</p> <p>Deed of Charge</p> <p>Trust Deed</p> <p>Corporate Services Agreement</p> <p>See also underlying transaction documents where the obligations of the service providers, including servicer and trustee, are detailed.</p>	
51	<p><u>STS Criteria</u></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><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, OVERVIEW OF THE TRANSACTION DOCUMENTS</p> <p>Termination of appointment of Servicer</p> <p>“If a Servicer Termination Event occurs then the Issuer (prior to the delivery of a Note Acceleration Notice or notice that the Trustee has taken any action to enforce the Security) with the written consent of the Trustee, or the Trustee itself (after delivery of a Note Acceleration Notice or notice that the Trustee has taken any action to enforce the Security) may at once or at any time thereafter while such default continues by notice in writing to the Servicer terminate its appointment as Servicer under this Agreement with effect from a date (not earlier than the date of the notice) specified in the notice provided that a successor servicer has been appointed by the entry of the successor servicer, the Issuer and the Trustee into a replacement servicing agreement.”</p>	

	See also underlying transaction documents: Servicing Agreement. <i>The transaction documents specify the processes and responsibilities that enable the replacement of the servicer in an event of default or insolvency of the servicer.</i>	
52	<p><u>STS Criteria</u> 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><u>PCS Comments</u> See Prospectus PRINCIPAL TRANSACTION DOCUMENTS. Account Bank Agreement “...If the Account Bank fails to take such action within the required time, then the Issuer shall (with the prior written consent of the Trustee) terminate the Account Bank Agreement with respect to the Account Bank in respect of the relevant Issuer Bank Account and close the Issuer Bank Accounts subject to a replacement financial institution having been appointed which has all of the Account Bank Ratings.” The Swap Agreement Termination rights and payments “Upon termination of the Swap Agreement, commercially reasonable endeavours will be made by the Issuer to find a replacement Swap Counterparty, although there can be no certainty that a replacement will be found.” See also Prospectus, RATING TRIGGERS TABLES. <i>The transactions documents clearly specify the provision for replacement of derivative counterparties and the account bank in the case of their default, insolvency or other events.</i></p>	<u>Verified?</u> YES

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	<p><u>STS Criteria</u> 53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised</p> <p><u>PCS Comments</u> See Prospectus, THE SELLER, THE SERVICER AND THE RECEIVABLES “The motor finance business is part of the Group's Retail business unit and provides point of sale finance for the acquisition of cars, motorbikes and light commercial vehicles. The motor finance business was founded in, and has been originating and servicing products of a similar nature to those which are the subject of this transaction, since 1988.” <i>Close Brothers is a UK regulated bank.</i></p>	<u>Verified?</u> YES
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54	STS Criteria 54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	Verified? YES
	PCS Comments See "Servicing and Collections". <i>Close Brothers is a UK regulated bank.</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	STS Criteria 55. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	Verified? YES
	PCS Comments See "Servicing and Collections".	

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

56	STS Criteria 56. The transaction documentation shall clearly specify the priorities of payment,	Verified? YES
	PCS Comments See Prospectus, CASH MANAGEMENT. Pre-and Post-Acceleration Priority of Payments. <i>The Cash Management Agreement and Deed of Charge are cited.</i>	
57	STS Criteria 57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.	Verified? YES
	PCS Comments See Prospectus, Terms and Conditions 9, Event of Default	

58	STS Criteria 58. The transaction documentation shall clearly specify the obligation to report such events.	Verified? YES
	PCS Comments See Prospectus, Terms and Conditions 9.2, Events of Default and 14, Notices to Noteholders.	
59	STS Criteria 59. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.	Verified? YES
	PCS Comments See Event of Default, Terms and Conditions of the Notes, conditions 9 and 14, also "Overview of Priorities of Payments".	

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

60	STS Criteria 60. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders	Verified? YES
	PCS Comments See Prospectus, RIGHTS OF NOTEHOLDERS. Noteholders Meeting Provisions Notice Period: 21 clear days, but not more than 180 days, for the initial meeting/10 clear days, but not more than 42 days, for an adjourned meeting Place of meeting: United Kingdom Quorum: Initial Meeting, 20 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting for all Ordinary Resolutions; 50 per cent. of the Principal Amount Outstanding of the relevant Class of Notes for the initial meeting to pass an Extraordinary Resolution (other than a Basic Terms Modification, which requires at least 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes); Adjourned Meeting, Any holding (other than an Extraordinary Resolution or a Basic Terms Modification, which requires at least 25 per cent. of the Principal Amount Outstanding of the relevant Class of Notes) Written Resolution: At least 75 per cent. of the Principal Amount Outstanding of the relevant class of Notes. A Written Resolution has the same effect as an Extraordinary Resolution. Required majority: More than 50 per cent. of votes cast for matters requiring Ordinary Resolution and 75 per cent. of votes cast for matters requiring Extraordinary Resolution See also underlying transaction documents: Trust Deed. <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.</i> (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:
 PCS notes that the Prospectus and Trust Deed cover the five provisions detailed in the EBA Guidelines.

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

61	<p>STS Criteria</p> <p>61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, OVERVIEW OF THE TRANSACTION DOCUMENTS</p> <p>Deed of Charge</p> <p>Trust Deed</p> <p>Cash Management Agreement</p> <p>See also above noted transaction documents.</p>	

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

62	STS Criteria 62. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,	Verified? YES
	PCS Comments See Prospectus, HISTORICAL PERFORMANCE DATA “The historical performance data presented hereafter is relative to the entire portfolio granted by the Seller to individual borrowers in order to finance the purchase of vehicles for the periods and as at the dates stated therein. The following tables were prepared by the Seller based on its internal records.”	
63	STS Criteria 63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	Verified? YES
	PCS Comments See point 62 above.	
64	STS Criteria 64. Those data shall cover a period no shorter than five years.	Verified? YES
	PCS Comments See point 62 above.	

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

65	STS Criteria 65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,	Verified? YES
	PCS Comments See Regulatory Disclosures – UK STS Status An independent third party has performed agreed upon procedures, completed on 8 November 2023, on a random sample of Receivables selected from a pool of auto leases originated by the Seller as of 31 July 2023. The third party has also performed agreed upon procedures to verify that the stratification tables in relation to the Provisional Portfolio set	

	<p>out in the section entitled "The Provisional Portfolio" are accurate and to check the compliance of all Receivables in the Provisional Portfolio with the Eligibility Criteria. The Seller has reviewed the reports of the third party and is of the opinion that there were no significant adverse findings in those reports.</p> <p><i>PCS has reviewed the report on agreed upon procedures (AUP) commonly known as a "pool audit". PCS can confirm that this was done by an independent third party.</i></p>	
66	<p><u>STS Criteria</u></p> <p>66. Including verification that the data disclosed in respect of the underlying exposures is accurate.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p><i>See point 65 above.</i></p>	

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

67	<p><u>STS Criteria</u></p> <p>67. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, REGULATORY DISCLOSURES</p> <p>Liability cashflow model</p> <p>"The Seller has made available a liability cashflow model via European DataWarehouse at https://editor.eurodw.co.uk/. The Seller will procure that such liability cashflow model (a) precisely represents the contractual relationship between the Purchased Receivables and the payments flowing between the Seller, investors in the Notes, other third parties and the Issuer, and (b) is made available to (i) prior to pricing of the Notes, potential investors and (ii) on an on-going basis, investors in the Notes and to potential investors in the Notes upon request."</p>	
68	<p><u>STS Criteria</u></p> <p>68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>	<p><u>Verified?</u></p> <p>YES</p>
	<p><u>PCS Comments</u></p> <p>See Prospectus, REGULATORY DISCLOSURES</p> <p>Liability cashflow model</p> <p>"The Seller has made available a liability cashflow model via European DataWarehouse at https://editor.eurodw.co.uk/. The Seller will procure that such liability cashflow model (a) precisely represents the contractual relationship between the Purchased Receivables and the payments flowing between the Seller, investors in the Notes, other third parties and the</p>	

Issuer, and (b) is made available to (i) prior to pricing of the Notes, potential investors and (ii) on an on-going basis, investors in the Notes and to potential investors in the Notes upon request.”

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

69	STS Criteria	Verified? YES
	<p>69. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).</p> <p>PCS Comments</p> <p>See Prospectus, THE PROVISIONAL PORTFOLIO.</p> <p>“Environmental performance</p> <p>The administrative records of the Seller do not contain any information related to the environmental performance of the Receivables and, as such, there is no available information to be published related to the environmental performance of the Receivables pursuant to Article 22(4) of the UK Securitisation Regulation.”</p>	

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

70	STS Criteria	Verified? YES
	<p>70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p> <p>PCS Comments</p> <p>See Prospectus, Securitisation Regulations</p> <p>Pursuant to Article 7(2) of the UK Securitisation Regulation, the Issuer, as "SSPE" for the purposes of the UK Securitisation Regulation, has been designated as the entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the UK Securitisation Regulation (the "UK Transparency Requirements"). The Issuer has appointed the Servicer to perform all of the Issuer's obligations under Article 7 of the UK Securitisation Regulation, other than the preparation of investor reports in accordance with Article 7(1)(e) of the UK Securitisation Regulation, which investor reports will be prepared by the Cash Manager and made available by the Servicer. The Seller, as "originator" for the purposes of the UK Securitisation Regulation, is also responsible for compliance with Article 7 of the UK Securitisation Regulation pursuant to Article 22(5) of the UK Securitisation Regulation.”</p>	

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

71	STS Criteria	71. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request.	Verified? YES
	PCS Comments		
72	STS Criteria	72. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.	Verified? YES
	PCS Comments		

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

73	STS Criteria	73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.	Verified? YES
	PCS Comments		

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, GENERAL INFORMATION, 16 (b) (iv).

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

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

- (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;
- (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;
- (iii) the derivatives and guarantee agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;
- (iv) the servicing, back-up servicing, administration and cash management agreements;
- (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;
- (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

75 **STS Criteria**

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

- (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions
- (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;
- (iii) the derivatives and guarantee agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;
- (iv) the servicing, back-up servicing, administration and cash management agreements;
- (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;
- (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

Verified?
YES

PCS Comments

See Prospectus, GENERAL INFORMATION, 16 (b) (ii)

All the criteria from 76 onwards are future event criteria, as to which we refer you to PCS' comment under point 73 above.

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

76	<u>STS Criteria</u>	<u>Verified?</u>
	76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;	YES
<u>PCS Comments</u>		
See Prospectus, CASH MANAGEMENT		
Priority of Payments		
See also underlying transaction documents: Deed of Charge, Cash Management Agreement.		

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

(c) where section 85 of the 2000 Act (prohibition of dealing etc in transferable securities without approved prospectus) and rules made by the FCA for the purposes of Part 6 of the 2000 Act (official listing)¹ do not require a prospectus to be drawn up, a transaction summary or overview of the main features of the securitisation, including, where applicable:

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

77	<u>STS Criteria</u>	<u>Verified?</u>
	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:	YES
(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;		
<u>PCS Comments</u>		
<i>Not applicable.</i>		

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

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

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

78	STS Criteria	Verified? YES
78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;		
PCS Comments		
Simple, Transparent and Standardised (STS) Securitisation		
"The Seller, as "originator" for the purposes of the UK Securitisation Regulation, will procure that a notification is submitted to the FCA on or about the date of this Prospectus, in accordance with Article 27 of the UK Securitisation Regulation, that the Notes meet the requirements of Articles 19 to 22 of the UK Securitisation Regulation."		

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

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

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

79	STS Criteria	Verified? YES
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.		
PCS Comments		
See Prospectus, GENERAL INFORMATION, 16 (b) (iv).		

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

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

80	STS Criteria	Verified? YES
	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;	
PCS Comments		
GENERAL INFORMATION 16 (a) (i) (C)		

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

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

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

81	STS Criteria	Verified? YES
	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.	
PCS Comments		
GENERAL INFORMATION 16 (a) (i) (C)		

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	<u>STS Criteria</u>	<u>Verified?</u> YES
	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]	

PCS Comments

GENERAL INFORMATION 16 (b) (iv), 16 (a) (i) (A).

Article 7.1. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay

When complying with this paragraph, the originator, sponsor and SSPE of a securitisation shall comply with national and United Kingdom law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated.

In particular, with regard to the information referred to in point (b) the originator, sponsor and SSPE may provide a summary of the concerned documentation.

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

83	<u>STS Criteria</u>	<u>Verified?</u> YES
	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	

PCS Comments

GENERAL INFORMATION 16 (a) (i) (C).

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

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

Or

The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations for which section 85 of the 2000 Act and rules made by the FCA for the purposes of Part 6 of the 2000 Act do not require a prospectus to be drawn up

84	<p><u>STS Criteria</u></p> <p>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.</p> <p>The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.</p> <p>Or</p> <p>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.</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>See GENERAL INFORMATION, 16</p> <p>See also Prospectus, REGULATORY DISCLOSURES.</p> <p>Securitisation Regulation</p> <p>Transparency requirements</p> <p>"Pursuant to Article 7(2) of the UK Securitisation Regulation, the Issuer, as "SSPE" for the purposes of the UK Securitisation Regulation, has been designated as the entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the UK Securitisation Regulation. The Issuer has appointed the Servicer to perform all of the Issuer's obligations under Article 7 of the UK Securitisation Regulation, other than the preparation of investor reports in accordance with Article 7(1)(e) of the UK Securitisation Regulation, which investor reports will be prepared by the Cash Manager and made available by the Servicer. The Seller, as "originator" for the purposes of the UK Securitisation Regulation, is also responsible for compliance with Article 7 of the UK Securitisation Regulation pursuant to Article 22(5) of the UK Securitisation Regulation."</p> <p>"Securitisation Repository Website" means the website of SecRep Limited, being a securitisation repository registered under Article 10 of the UK Securitisation Regulation, at www.secrep.co.uk;</p>	
85	<p><u>STS Criteria</u></p> <p>85. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.</p>	<p><u>Verified?</u> YES</p>
	<p><u>PCS Comments</u></p> <p>See GENERAL INFORMATION, 16</p> <p>See also Prospectus, REGULATORY DISCLOSURES.</p>	

Securitisation Regulation

Transparency requirements

"Pursuant to Article 7(2) of the UK Securitisation Regulation, the Issuer, as "SSPE" for the purposes of the UK Securitisation Regulation, has been designated as the entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the UK Securitisation Regulation. The Issuer has appointed the Servicer to perform all of the Issuer's obligations under Article 7 of the UK Securitisation Regulation, other than the preparation of investor reports in accordance with Article 7(1)(e) of the UK Securitisation Regulation, which investor reports will be prepared by the Cash Manager and made available by the Servicer. The Seller, as "originator" for the purposes of the UK Securitisation Regulation, is also responsible for compliance with Article 7 of the UK Securitisation Regulation pursuant to Article 22(5) of the UK Securitisation Regulation."

"Securitisation Repository Website" means the website of SecRep Limited, being a securitisation repository registered under Article 10 of the UK Securitisation Regulation, at www.secrep.co.uk;