

STS Term Verification Checklist

LANEBROOK MORTGAGE TRANSACTION 2023-1 PLC



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

21st November 2023

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This is the STS Term 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.

21 November 2023

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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	Fazel Ahmed
Date of Verification	21 November 2023
The transaction to be verified (the "Transaction")	LANEBROOK MORTGAGE TRANSACTION 2023-1 PLC
Issuer	LANEBROOK MORTGAGE TRANSACTION 2023-1 PLC
Originator	Shawbrook Bank Limited
Lead Manager(s)	BARCLAYS, BofA SECURITIES, LLOYDS BANK CORPORATE MARKETS
Transaction Legal Counsel	Clifford Chance LLP
Rating Agencies	S&P/Moody's
Stock Exchange	Euronext Dublin
Closing Date	21 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	<p><u>STS Criteria</u></p> <p>1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.</p>	<u>Verified?</u> YES
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p><i>Portfolio</i></p> <p>Under the Mortgage Sale Agreement, on the Closing Date, the Seller will contract to sell and assign to the Issuer with full title guarantee, or in the case of Scottish Loans, with absolute warrandice, the Portfolio and Related Security. In respect of the English Loans, the assignment will be an assignment which takes effect in equity only.</p> <p>In respect of the Scottish Loans, the Scottish Property and the Scottish Related Security, the Mortgage Sale Agreement provides for the transfer and assignment of the beneficial interest in such Loans and their Related Security to be effected by the assignment of the Seller's interest in any Scottish Declaration of Trust to the Issuer pursuant to a Scottish Trust Transfer (and in relation to Scottish Loans, references in this Prospectus to the "equitable assignment" of Loans are to be read as references to the transfer of the beneficial interest therein by the making of such declaration of trust and the assignment of the Seller's interest therein, and the terms "assign" and "assigned" shall in that context be construed accordingly and references in this Prospectus to "beneficial title" are to be read as references to the beneficial interest of a beneficiary under a declaration of trust, as assigned by a trust transfer).</p> <p>In each case, the transfer of legal title to the Loans and their Related Security may not occur or, if it does occur, will not occur until a later date, as described further in the section entitled "<i>Title to the Mortgages, Registration and Notifications</i>" below.</p> <p><i>Title to the Mortgages, Registration and Notifications</i></p> <p>The completion of the transfer, or, in the case of the Scottish Loans and their Related Security, assignment, of the Loans and their Related Security (and, where appropriate, their registration or recording) to the Issuer is deferred and legal title to the Loans and their Related Security shall remain with the Legal Title Holder until the occurrence of a Perfection Event. Notice of the sale of the Loans and their Related Security to the Issuer will not be given to any Borrower until the occurrence of a Perfection Event.</p> <p>See Prospectus, <i>RISK FACTORS</i>.</p> <p>The Legal Title Holder to initially retain legal title to the Loans and risks relating to set-off</p> <p>Legal title to all of the English Loans, the Scottish Loans and (subject in some cases to registration or recording at the Land Registry or (as applicable) the Registers of Scotland) their related Mortgages are currently vested in the Legal Title Holder.</p> <p>Until the Issuer obtains legal title to the Loans and their related Mortgages and the Related Security, the sale of the English Loans and their related Mortgages and Related Security will take effect in equity only, in terms of which the Issuer will acquire the beneficial interest therein.</p> <p>The sale of the Scottish Loans and their related Scottish Mortgages is given effect by the Seller (as beneficiary under the Existing Scottish Trust) assigning its interest as beneficiary under the Existing Scottish Trusts granted pursuant to a Scottish Declaration of Trust pursuant to a Scottish Trust Transfer to the Issuer. By virtue of such Scottish Trust Transfer, the</p>	

beneficial interest in such Scottish Loans and their Related Security is held on trust for the benefit of the Issuer. The holding of a beneficial interest under a Scottish trust has (broadly) equivalent legal consequences in Scotland to the holding of an equitable interest in England and Wales.

In each case, this means that legal title to the Loans and their Related Security in the Portfolio will remain with the Legal Title Holder until the occurrence of a Perfection Event. The legal title to the Loans will be transferred to the Issuer or a nominee of the Issuer as soon as reasonably practicable following the occurrence of a Perfection Event

As a consequence of the Issuer not obtaining legal title to the Loans and their Related Security or the Properties secured thereby, a *bona fide* purchaser from any Legal Title Holder for value of any of such Loans and their Related Security without notice of any of the interests of the Issuer might obtain a good title free of any such interest. If this occurred, then the Issuer would not have good title to the affected Loan and its Related Security, and it would not be entitled to payments by a Borrower in respect of that Loan. However, the risk of third-party claims obtaining priority to the interests of the Issuer in this way would likely be limited to circumstances arising from breach by the Legal Title Holder of its contractual obligations or from fraud, negligence or mistake on the part of the Legal Title Holder or any of its respective personnel or agents.

“True sale” is not a legal concept but a rating agency creation. The essence of a “true sale” is that the property in the securitised assets has legally moved from the originator/seller to the SSPE in such a way that the SSPE’s ownership will be recognised as a matter of law, including and especially in the case of the insolvency of the originator/seller. In a “true sale” the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy the claims of the originator/seller’s creditor out of the proceeds of the securitised assets. Following a “true sale” there is no legal device by which the assets can automatically revert to the originator/seller’s ownership. Such automatic reversion is associated with security interests and anathema to a “true sale”. This is clearly stated in the wording of the Regulation (20.1). The expression “transfer to the same effect” indicates that, as long as the conditions in the preceding paragraph are met, the Regulation does not seek to limit the type of legal devices which can be used to effect such transfer of title. The issue of “true sale” is separate from the issue of “clawback”. “Clawback” refers to legal processes through which, in the insolvency of the seller of an asset, an insolvency officer is entitled to reverse the sale – even in cases where a “true sale” has taken place. All European jurisdictions, to PCS’ knowledge, have rules allowing for clawbacks. Clawbacks are usually rules to avoid a company heading towards insolvency from “defrauding” its existing creditors either by selling assets at very low prices (to friends and relations) or unfairly preferring certain creditors over others.

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

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

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

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

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

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

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

The legal opinions from Clifford Chance LLP and CMS Cameron McKenna Nabarro Olswang LLP confirm that an equitable assignment and a Scottish assignment of the beneficial interest meets the definition of "true sale" outlined above.

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

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

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

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

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

2	STS Criteria 2. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.	Verified? YES
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PCS Comments
COMI is in the UK. UK does not have severe clawback provisions. See comment under Checklist point 1
Neither provision applies as COMI is UK.

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

3	STS Criteria 3. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.	Verified? YES
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PCS Comments
See Prospectus, *TRANSACTION OVERVIEW – PORTFOLIO AND SERVICING.*

The Portfolio will consist of the Loans, the Related Security, and all monies derived therefrom from time to time, the beneficial title in which will be sold by TML to the Seller prior to the Closing Date which the Seller will on-sell to the Issuer on the Closing Date. Legal title to the Loans and their Related Security remains with the Legal Title Holder until such time as a Perfection Event occurs..

The Portfolio comprises (i) English Loans and (ii) Scottish Loans .

See also, SUMMARY OF THE KEY TRANSACTION DOCUMENTS, Mortgage Sale Agreement

Representations and Warranties

(kk) The Loan was provided in the ordinary course of the lending activities of the Legal Title Holder.

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

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

4 STS Criteria

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

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

**Verified?
YES**

PCS Comments

See Prospectus, *TRIGGERS TABLES*.

NON RATING TRIGGERS TABLE

Perfection Event

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

Mortgage Sale Agreement.

Title to the Mortgages, Registration and Notifications

The completion of the transfer, or, in the case of the Scottish Loans and their Related Security, assignment, of the Loans and their Related Security (and, where appropriate, their registration or recording) to the Issuer is deferred and legal title to the Loans and their Related Security shall remain with the Legal Title Holder until the occurrence of a Perfection Event. Notice of the sale of the Loans and their Related Security to the Issuer will not be given to any Borrower until the occurrence of a Perfection Event.

The completion of the assignment (or, in respect of Scottish Loans, the assignation) to the Issuer of legal title to the Loans and their Related Security comprised in the Portfolio will be completed by or on behalf of the Legal Title Holder on or before the 20th Business Day after any of the following Perfection Events occurs:

- (a) the Legal Title Holder being required to perfect legal title to the Loan and their Related Security by (i) law; (ii) by an order or decree of court of competent jurisdiction; (iii) by a regulatory authority which has jurisdiction over the Legal Title Holder; or (iv) by any organisation of which the Legal Title Holder is a member or whose members comprise, by are not necessarily limited to mortgage lenders with whose instructions it is customary for the Legal Title Holder to comply;
- (b) the occurrence of an Insolvency Event in relation to the Legal Title Holder;
- (c) the occurrence of an Insolvency Event in relation to the Seller;
- (d) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Trustee, in jeopardy;
- (e) it becoming unlawful in any applicable jurisdiction for the Legal Title Holder to hold legal title in respect of any Loan or its Related Security in the Portfolio;
- (f) the Issuer requiring the Legal Title Holder to proceed with the perfection of legal title;
- (g) the Seller failing to pay to the Issuer any amounts due and payable for the account of the Issuer;
- (h) the occurrence of an event or circumstance which entitles the Issuer to terminate the appointment of the Servicer;
- (i) the occurrence of a Servicer Termination Event or a Voluntary Termination; or
- (j) the occurrence of a Severe Deterioration Event in relation to the Seller,

(each of the events set out in paragraphs (a) to (j) inclusive being a "Perfection Event").

See Glossary

"Severe Deterioration Event"

means all or any part having an aggregate value in excess of 10 per cent. of the property, business, undertakings, assets or revenues of the Seller having been attached as a result of any distress, execution or diligence being levied or any encumbrancer taking possession or similar attachment and such attachment having not been lifted within 30 days.

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.

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

5	STS Criteria	Verified? YES
	<p>5. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.</p> <p>PCS Comments</p> <p>See Prospectus, SUMMARY OF THE KEY TRANSACTION DOCUMENTS.</p> <p>Mortgage Sale Agreement</p> <p>Representations and warranties</p> <p>(b) The Seller is the absolute beneficial owner, and the Legal Title Holder is the absolute legal owner, of the Loans and their Related Security sold to the Issuer and the Loans and Related Security are sold free from an encumbrance (but subject to the relevant Borrower's equity of redemption).</p>	

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

6	STS Criteria	Verified? YES
	<p>6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....</p> <p>PCS Comments</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>On the Closing Date, the following loan warranties described below (the "Loan Warranties") will be given to the Issuer by the Seller, in relation to the Loans and their Related Security, in each case as of the Closing Date</p> <p><i>The EBA Guidelines clarify that "clear" does not mean easily readable or comprehended by a non-expert. In the Regulation a criterion is "clear" when a court or tribunal could determine whether, presumably in all cases, the criterion is met for each asset. In the Regulation, "clear" is about certainty of determination.</i></p> <p><i>PCS has read the eligibility criteria in the Prospectus. As they are mandatory, they meet the "predetermined" requirement. As they are in the Prospectus, they meet the "documented" requirement. PCS has also concluded that they allow determination in each case and so meet the "clear" requirement.</i></p>	

<p>7 <u>STS Criteria</u> 7. Which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management.</p>	<p><u>Verified?</u> YES</p>
<p><u>PCS Comments</u> See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement STS Call Option</p> <p>Pursuant to the terms of the Mortgage Sale 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 Loan sold to the Issuer pursuant to the Mortgage Sale Agreement which is:</p> <p>(a) not of a type described in Article 13 of the LCR Regulation (to the extent that the Seller reasonably believes the Notes are capable of being Level 2B assets for the purposes of the LCR Regulation);</p> <p>(b) not of a type described in the Solvency II Regulation (to the extent that the Seller reasonably believes the Notes are capable of being Senior STS Securitisations or Non-Senior STS Securitisations for the purposes of Solvency II); or</p> <p>(c) not compliant with the UK Securitisation Regulation or Article 243 of the UK CRR, (each such Loan, a "Non-Eligible Loan") (the "STS Call Option").</p> <p>The repurchase price payable by the Seller to the Issuer in consideration for the repurchase of a Non-Eligible Loan shall be an amount equal to the repurchase price set out below.</p> <p>The Issuer may at its absolute discretion accept such offer by delivering a duly signed Loan Repurchase Notice and the provisions of the Mortgage Sale Agreement shall apply. The aggregate Current Balance of all Non-Eligible Loans repurchased will not comprise more than 1 per cent. of the Current Balance of the Loans as at the Closing Date. The Loans to be repurchased as Non-Eligible Loans will be selected on a random basis, if and to the extent applicable.</p> <p>Repurchase by the Seller</p> <p>The Seller will agree to be liable for the repurchase of any Loan and its Related Security sold pursuant to the Mortgage Sale Agreement if:</p> <p>(a) any Loan Warranty made by the Seller in relation to that Loan and/or its Related Security proves to be materially untrue as at the Closing Date and that default has not been remedied in accordance with the Mortgage Sale Agreement;</p> <p>(b) a Product Switch is agreed with a Borrower or a Further Advance or Port is granted in respect of a Loan;</p> <p>(c) the Seller has determined on any Calculation Date that a Loan is a Significant Deposit Loan as at the immediately preceding Collection Period Start Date; or</p> <p>(d) the Seller, when applicable, has delivered (at its discretion) a Loan Repurchase Notice in connection with a Non-Eligible Loan.</p> <p>Any Loans and their Related Security will be required to be repurchased following receipt by the Seller of a Loan Repurchase Notice requiring the Seller to repurchase and the Issuer to sell the relevant Loan and its Related Security in accordance with the terms of the Mortgage Sale Agreement (such Loans being the "Repurchase Loans"), and specifically in the case of repurchase date to a Product Switch, such Loans also being "Product Switch Loans"</p>	

Repurchase price

The consideration payable by the Seller in respect of the repurchase of any Repurchase Loan(s) and its Related Security shall be equal to the Current Balance of such Repurchase Loan(s) as at the date of such repurchase (disregarding for the purposes of any such calculation, to the extent to which the Current Balance of such Repurchase Loan(s) has been reduced as a result of the exercise of any set-off right which the relevant Borrower has against the Seller, the amount of any such reduction in the Current Balance) as at the relevant date of any such repurchase, plus the Issuer's, or as the case may be, the Trustee's costs and expenses (if any) associated with the transfer of such Repurchase Loan(s) and its Related Security to the Seller.

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".

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

Verified?
YES

PCS Comments

Not applicable as not a revolving transaction.

A Further Advance, Port or Product Switch in respect of a Loan if granted will be repurchased by the Seller.

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

9 **STS Criteria**
9. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type.

Verified?
YES

PCS Comments

See Prospectus, *THE LOANS*.

Other characteristics of the Loans

The Loans are homogeneous for purposes of Article 20(8) of the UK Securitisation Regulation, on the basis that all Loans in the Portfolio: (i) have been underwritten by the Legal Title Holder in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential borrower's credit risk; (ii) are entered into substantially on the terms of similar standard documentation for mortgage loans; (iii) are serviced by the Servicer pursuant to the Servicing Agreement in accordance with the same

	servicing procedures with respect to monitoring, collections and administration of the loans; and (iv) form one asset category, namely buy-to-let residential mortgage loans to Borrowers resident or incorporated in England and Wales and Scotland only <i>In the Transaction, the loans were underwritten on a similar basis, they are being serviced by TML according to similar servicing procedures, they are a single asset class – residential mortgage loans – and, based on the EBA’s suggested approach, the loans 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.</i>	
10	STS Criteria 10. The underlying exposures shall contain obligations that are contractually binding and enforceable.	Verified? YES
	PCS Comments See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> . Mortgage Sale Agreement Representations and Warranties (zz) Each Borrower's obligations under the Loans are legal, valid, binding and enforceable.	
11	STS Criteria 11. With full recourse to debtors and, where applicable, guarantors.	Verified? YES
	PCS Comments See Prospectus, <i>THE LOANS</i> . <i>The Portfolio</i> The Portfolio as of the Closing Date will comprise loans advanced to the Borrowers by the Legal Title Holder upon the security of residential property situated in England or Wales or Scotland (that are contractually binding with full recourse to the relevant Borrowers and, where applicable, guarantors), such loans having been sold by TML to the Seller prior to the Closing Date and subsequently acquired by the Issuer from the Seller pursuant to the Mortgage Sale Agreement, other than Loans which have been repaid or which have been re-purchased by the Seller from the Issuer pursuant to the Mortgage Sale Agreement.	

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 Prospectus, <i>THE LOANS</i>.</p> <p>Characteristics of the Loans</p> <p>Repayment Terms</p> <p>Loans may combine one or more of the features listed in this section. Overpayments are allowed on all products, within certain limits. See "Overpayments and Early Repayment Charges" below.</p> <p>Loans are typically repayable on one of the following basis:</p> <ul style="list-style-type: none"> • Repayment Loan: the Borrower makes monthly payments of both interest and principal so that, when the Loan matures, the full amount of the principal of the Loan will have been repaid (a "Repayment Loan"); or • Interest-only Loan: the Borrower makes monthly payments of interest but not of principal so that, when the Loan matures, the entire principal amount of the Loan is still outstanding and is payable in one lump sum (an "Interest-only Loan"); or • Part and Part Loan: the Borrower makes monthly payments of both interest and principal, when the Loan matures an amount of principal is still outstanding requiring a balloon payment to be paid by the Borrower on maturity (a "Part and Part Loan"). <p>The required monthly payment in respect of the Loans may alter from month to month for various reasons, including changes in interest rates.</p> <p>Principal prepayments may be made in whole or in part at any time during the term of a Loan, subject to the payment of any Early Repayment Charges (as described in "Overpayments and Early Repayment Charges" below). A prepayment of the entire outstanding balance of a loan discharges the mortgage. Any prepayment in full must be made together with all accrued interest, arrears of interest, any unpaid expenses and any applicable repayment fee(s) subject to a tolerance of up to £50 on redemption shortfalls.</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><i>See point 12 above. See also definition of "Related Security"</i></p>	

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

14	STS Criteria	Verified? YES
	<p>14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), (24) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.</p> <p>PCS Comments</p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Other characteristics of the Loans</p> <p>The Loans, as at the Closing Date, do not include: (i) any transferable securities for purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for purposes of Article 21(2) of the UK Securitisation Regulation, in each case on the basis that the Loans have been entered into substantially on the terms of similar standard documentation for mortgage loans.</p>	

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

15	STS Criteria	Verified? YES
	<p>15. The underlying exposures shall not include any securitisation position.</p> <p>PCS Comments</p> <p>See Prospectus, <i>GENERAL INFORMATION</i>.</p> <p>14. For the purposes of Article 8(1) and Article 20(9) of the UK Securitisation Regulation and Article 8(1) and Article 20(9) of the EU Securitisation Regulation (as in force on the Closing Date), the assets of the Issuer do not and shall not include securitisation positions.</p> <p><i>See also point 14 above.</i></p>	

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

16	STS Criteria 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, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> . Mortgage Sale Agreement Representations and Warranties (kk) The Loan was provided in the ordinary course of the lending activities of the Legal Title Holder.	
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, <i>THE LOANS</i> . Origination of the Portfolio The Portfolio comprises of Loans originated by the Legal Title Holder on the basis of consistently applied underwriting criteria, being no less stringent than those applied at the relevant time of origination to other mortgage loans that do not form part of the Portfolio.	

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 <i>Not applicable as not a revolving transaction. Further Advances, Ports and Product Switches are repurchased and not replaced.</i> <i>Although somewhat confusingly drafted, the EBA Guidelines make clear that the part of the criterion referring to changes from prior underwriting is a future event criterion. It applies changes in underwriting criteria that occur post-closing. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform ESMA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction.</i>	

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	Verified? YES
	<p>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.</p> <p>PCS Comments</p> <p>See Prospectus, <i>RISK FACTORS</i>.</p> <p>Buy-To-Let Loans</p> <p>All of the Loans in the Portfolio are Buy-To-Let Loans. None of the Loans are Flexible Loans, self-certified loans, or loans that were 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</p>	

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	Verified? YES
	<p>20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.</p> <p>PCS Comments</p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Lending Criteria.</p> <p><i>The criterion requires consumer loans or mortgages to have been underwritten in accordance with one of two European Directives. European Directives, in contrast to Regulations, do not have direct effect but must be implemented into national law country by country.</i></p> <p><i>Therefore, if the assets concerned, as in the case of the Transaction, are residential mortgages, the relevant Directive is 2014/17/EU. The next step is to determine which UK law transcribed this Directive into local law.</i></p> <p><i>PCS assumes, although the Regulation and the EBA Guidelines are silent on this point, that the requirement for mortgages and consumer loans to have been underwritten in compliance with the Directives only applies to assets underwritten after these Directives were transcribed into national law. This was done in the UK via the MCD Order issued in March 2016.</i></p>	

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

21	<u>STS Criteria</u> 21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, <i>THE SELLER</i> . Shawbrook is a specialist mortgage lender and it has more than five years' expertise in originating and servicing buy-to-let mortgage loans in the UK, being products of a similar nature to those that are the subject of this transaction See Prospectus, <i>THE SERVICER AND THE LEGAL TITLE HOLDER</i> TML is a specialist mortgage lender with 5 years of experience in, originating and servicing mortgage loans in the UK, in both the owner occupied and buy-to-let sectors, being products of a similar nature to those that are the subject of this transaction. Further, TML's management and board members have at least 20 years of expertise in originating and servicing mortgage loans in the UK, in both the owner occupied and buy-to-let sectors As of September 2023, it has lent approximately £1,469 million in owner-occupied mortgage loans (since September 2016), and £2,088 million in buy-to-let mortgage loans (since June 2018).	

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	<u>STS Criteria</u> 22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, GLOSSARY "Cut-Off Date" means 26 October 023. SUMMARY OF THE KEY TRANSACTION DOCUMENTS. Issue Date : The Issuer will issue the Notes in the classes set out above and the RC1 Certificates and the RC2 Certificates (together, the "Certificates") on or about 21 November2023 (the "Closing Date"). See Prospectus, <i>THE LOANS</i> . Other Characteristics of the Loans The Loans have been transferred after selection for inclusion in the portfolio without undue delay for purposes of Article 20(11) of the UK Securitisation Regulation	

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. The time between the selection date and the transfer to the Issuer for this Transaction is in line with the Criterion.

23	STS Criteria	Verified? YES
	<p>23. And shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...</p> <p>PCS Comments</p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Other characteristics of the Loans</p> <p>The Loans do not include, at the time of selection for inclusion in the Portfolio, any exposures to credit-impaired debtors or guarantors or exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013, in each case for the purposes of Article 20(11) of the UK Securitisation Regulation</p>	

Article 20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 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	Verified? YES
	<p>24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator’s or original lender’s knowledge:</p> <p>PCS Comments</p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Other characteristics of the Loans</p> <p>The Loans do not include, at the time of selection for inclusion in the Portfolio, any exposures to credit-impaired debtors or guarantors or exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013, in each case for the purposes of Article 20(11) of the UK Securitisation Regulation</p>	

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
	<p>PCS Comments <i>See point 24 above.</i></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>(m) Prior to entering into the Loan: (i) a bankruptcy or personal search was carried out in respect of a Borrower who was an individual; and (ii) a bankruptcy search was carried out in respect of a Borrower who was a company, and in each case no undischarged bankruptcy, inhibition or other encumbrance was revealed</p> <p>(rr) None of the Borrowers were, at the application date in respect of the relevant Loan, subject to any county court judgments in the six (6) years before the date of the application or IVA/CVAs.</p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Debt verifications and assessment of creditworthiness</p> <p>Pursuant to the lending guidelines, an independent credit search of the Borrower's debt position was undertaken for all applications and generally a clear history was required. Whilst Borrowers provide income information, such information is neither verified nor relied upon.</p> <p>At the date of their application, no borrowers have been declared bankrupt or discharged from bankruptcy in the previous 6 years. No loans are subject to personal insolvency arrangements and each Borrower has made at least one scheduled payment.</p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Lending Criteria.</p> <p>As at the date of the application, applicants may not have any unsatisfied county court judgments in the previous 6 years and no IVA/CVA unless satisfied for six years.</p>	
26	STS Criteria 26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:	Verified? YES
	<p>PCS Comments <i>See point 24 above.</i></p>	

27	STS Criteria 27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and	Verified? YES
	PCS Comments <i>See point 24 above.</i>	
28	STS Criteria 28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;	Verified? YES
	PCS Comments <i>See point 24 above.</i>	
29	STS Criteria 29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;	Verified? YES
	PCS Comments <i>See point 24 above.</i> See Prospectus, <i>THE LOANS</i> . Lending Criteria. Debt verifications and assessment of creditworthiness Pursuant to the lending guidelines, an independent credit search of the Borrower's debt position was undertaken for all applications and generally a clear history was required. Whilst Borrowers provide income information, such information is neither verified nor relied upon.	
30	STS Criteria 30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised.	Verified? YES
	PCS Comments <i>See point 24 above.</i>	

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

31	STS Criteria	Verified? YES
	<p>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.</p> <p>PCS Comments</p> <p>See Prospectus, See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p>Representations and Warranties</p> <p>(mm) At least one Monthly Instalment due in respect of each Loan has been paid by the relevant Borrower.</p>	

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	Verified? YES
	<p>32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.</p> <p>PCS Comments</p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Characteristics of the Loans</p> <p>Repayment Terms</p> <p>Loans may combine one or more of the features listed in this section. Overpayments are allowed on all products, within certain limits. See "Overpayments and Early Repayment Charges" below.</p> <p>Loans are typically repayable on one of the following basis:</p> <ul style="list-style-type: none"> • Repayment Loan: the Borrower makes monthly payments of both interest and principal so that, when the Loan matures, the full amount of the principal of the Loan will have been repaid (a "Repayment Loan"); or • Interest-only Loan: the Borrower makes monthly payments of interest but not of principal so that, when the Loan matures, the entire principal amount of the Loan is still outstanding and is payable in one lump sum (an "Interest-only Loan"); or 	

- Part and Part Loan: the Borrower makes monthly payments of both interest and principal, when the Loan matures an amount of principal is still outstanding requiring a balloon payment to be paid by the Borrower on maturity (a "Part and Part Loan").

The required monthly payment in respect of the Loans may alter from month to month for various reasons, including changes in interest rates.

Although there was some uncertainty over the status of interest-only mortgages, this has been definitively cleared up by the EBA Guidelines specific statement that this criterion was not designed to capture these products. In particular, we note that the presence of an amortisation plan setting out payments by means of monthly instalments is clearly not compatible with a repayment predominantly dependent on the sale of the assets securing the underlying exposures.

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

33	STS Criteria	Verified? YES
	<p>33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.</p> <p>PCS Comments</p> <p>See Prospectus, <i>Risk Retention Undertaking</i>.</p> <p>On the Closing Date, the Seller will, as an originator for the purposes of the UK Securitisation Regulation and the EU Securitisation Regulation (as in force on the Closing Date), retain on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation in accordance with (a) the text of Article 6 of the UK Securitisation Regulation (the "Retention") and (b) Article 6 of the EU Securitisation Regulation (as in force on the Closing Date). As at the Closing Date, the Retention will be satisfied by the Seller selecting and holding a pool of randomly selected exposures equivalent to not less than 5 per cent. of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation, as required by the text of each of paragraph (c) of Article 6(3) of the UK Securitisation Regulation and paragraph (c) of Article 6(3) of the EU Securitisation Regulation (as in force on the Closing Date). See the section entitled "UK Securitisation Regulation and EU Securitisation Regulation Requirements" for further information.</p> <p>See Prospectus, <i>UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS</i>.</p> <p>Risk Retention Requirements</p> <p>Shawbrook, as an originator for the purposes of the UK Securitisation Regulation and the EU Securitisation Regulation (as in force on the Closing Date), will retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of Article 6 of the UK Securitisation Regulation, and Article 6 of the EU Securitisation Regulation (as in force on the Closing Date).</p> <p>As at the Closing Date, such interest will be satisfied by the Seller holding a pool of randomly selected exposures equivalent to not less than 5 per cent. of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation as required by the text of paragraph (c) of Article 6 of the UK Securitisation Regulation, and Article 6 of the EU Securitisation Regulation (as in force on the Closing Date).</p> <p>For the purposes of Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date), the Issuer has been designated as the entity responsible to fulfil the requirements of Article 7 and will procure that such requirements are complied with on its behalf.</p> <p>Shawbrook (as an originator for the purposes of the UK Securitisation Regulation and the EU Securitisation Regulation (as in force on the Closing Date)) will undertake to the Issuer in the Mortgage Sale Agreement that, for so long as any Notes and the Certificates remain outstanding, it will retain on an ongoing basis a material net economic interest of not less than 5 per cent. in the nominal value of the securitised exposures as required by Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation (as in force on the Closing Date) in accordance with Article 6(3)(c) of the UK Securitisation Regulation and Article 6(3)(c) of the EU Securitisation Regulation (as in force on the Closing Date).</p>	

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

34	ST^S Criteria	Verified? YES
	<p>34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.</p> <p>PCS Comments</p> <p>See Prospectus, <i>RISK FACTORS</i>.</p> <p>RISKS RELATED TO INTEREST RATE ON THE LOANS AND/OR THE NOTES</p> <p>Interest Rate Risk</p> <p>The Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of the Loans and the rate of interest payable in respect of the Notes. Some of the Loans in the Portfolio pay or will pay a fixed rate of interest for an initial period of time. However, the Issuer's liabilities under the Notes are based on SONIA for the relevant period.</p> <p>To provide a hedge against the possible variance between:</p> <p>(a) the fixed rates of interest payable on the Fixed Rate Loans in the Portfolio; and</p> <p>(b) the rate of interest under the Notes being calculated by reference to Compounded Daily SONIA,</p> <p>the Issuer has entered into the Swap Transaction in order to mitigate the risk (see "Credit Structure – Interest Rate Risk for the Notes" below). Following the initial fixed rate period, the Fixed Rate Loans in the Portfolio revert to the TML Variable Rate</p> <p>See also Prospectus, <i>CREDIT STRUCTURE</i></p> <p>7. Interest Rate Risk for the Notes</p> <p>Swap Agreement</p> <p>On 2 November 2023, the Issuer and the Swap Provider entered into the Swap Agreement.</p> <p>Swap Transaction</p> <p>Some of the Loans in the Portfolio pay or will pay a fixed rate of interest for an initial period of time. However, the Issuer's liabilities under the Notes are based on SONIA for the relevant period.</p> <p>To provide a hedge against the possible variance between:</p> <p>(a) the fixed rates of interest payable on the Fixed Rate Loans in the Portfolio; and</p> <p>(b) the rate of interest under the Notes being calculated by reference to SONIA,</p> <p>the Issuer has entered into the Swap Transaction with the Swap Provider under the Swap Agreement.</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</i></p>	

a case-by-case basis. The fact that the Regulation was crafted by the legislators to recognise existing high-quality European securitisations rather than raise the bar to a level not previously encountered, together with the common-sense approach of the EBA, leads to the conclusion that transactions considered adequately hedged by common investor and rating agency consensus should be held to meet this criterion. This still requires an analysis of the matter. Since PCS is not a quantitative analysis provider or a credit rating agency, our verification is based on a second-hand analysis which focuses on:

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

In the case of the Transaction, payments from the mortgage loans represent mostly fixed rate payments, while the notes are floating rate. An interest rate swap is used in the Transaction to mitigate fixed-to-floating interest rate risk, covering the period during which the underlying assets have fixed rates. Information provided in the transaction documents indicate that interest rate risk has been appropriately mitigated.

35

STS Criteria

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

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

Not applicable. Assets and Liabilities are denominated in pound sterling.

Assets:

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

Mortgage Sale Agreement

Representations and Warranties

On the Closing Date, the following loan warranties described below (the "Loan Warranties") will be given to the Issuer by the Seller, in relation to the Loans and their Related Security, in each case as of the Closing Date

(d) The relevant Loan is denominated in, and all amounts in respect of such Loan are payable in, pounds sterling and may not be changed by the relevant Borrower to any other currency

Liabilities:

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

3.1 Form and Denomination

See PCS comment under 34 above. Both notes and Loans are denominated solely in Sterling.

36	STS Criteria 36. Any measures taken to that effect shall be disclosed.	Verified? YES
	PCS Comments See Prospectus, <i>CREDIT STRUCTURE</i> . 7. Interest Rate Risk for the Notes Swap Agreement <i>See PCS comment under 34 above.</i>	
Article 21.2. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives. Those derivatives shall be underwritten and documented according to common standards in international finance.		
37	STS Criteria 37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...	Verified? YES
	PCS Comments See Prospectus, <i>TERMS AND CONDITIONS OF THE NOTES</i> . 5. ISSUER COVENANTS Save with the prior written consent of the Trustee or unless otherwise permitted under any of these Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding: (l) Derivatives: enter into any derivatives or hedging contracts having the same economic effect.	
38	STS Criteria 38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	Verified? YES
	PCS Comments See Prospectus, <i>THE LOANS</i> . Other characteristics of the Loans The Loans, as at the Closing Date, do not include: (i) any transferable securities for purposes of Article 20(8) of the UK Securitisation Regulation; (ii) any securitisation positions for purposes of Article 20(9) of the UK Securitisation Regulation; or (iii) any derivatives for purposes of Article 21(2) of the UK Securitisation Regulation, in each case on the basis that the Loans have been entered into substantially on the terms of similar standard documentation for mortgage loans	

39	STS Criteria	Verified?
	<p>39. Those derivatives shall be underwritten and documented according to common standards in international finance.</p>	
PCS Comments		
<p>See Prospectus, <i>CREDIT STRUCTURE</i>.</p> <p>7. Interest Rate Risk for the Notes</p> <p>Swap Agreement</p> <p>On 2 November 2023, the Issuer and the Swap Provider entered into the Swap Agreement.</p> <p>See Prospectus, <i>GLOSSARY</i></p> <p>"Swap Agreement" means an ISDA 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 Provider on 2 November 2023 and the swap transactions effected thereunder (or such Replacement Swap Agreement as the Issuer may enter into in accordance with the Transaction Documents).</p>		

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	Verified?
	<p>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.</p>	
PCS Comments		
<p>See Prospectus,</p> <p><i>Assets:</i></p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>The Portfolio</p> <p>Interest Rate Types</p> <p>The Portfolio consists of Loans which, for an initial period of 2 years or longer, offers a Fixed Mortgage Rate which then reverts to the TML Variable Rate (in each case as determined by the Legal Title Holder as at the relevant date of origination).</p> <p>See Prospectus, <i>GLOSSARY</i></p> <p>"Fixed Mortgage Rate" means the initial fixed rate of interest for a period of 2 years or longer charged to the Borrower in connection with the relevant Loan.</p>		

"TML Variable Rate". means the TML Buy to Let Base Rate plus a margin being one of 4.96 per cent or 5.21 per cent

"TML Buy to Let Base Rate" means the buy-to-let variable base rate set by the Legal Title Holder from time to time.

Liabilities:

See Prospectus, Cover Page.

Compounded Daily Sonia plus a margin.

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, *CASHFLOWS*.

Distributions following the delivery of an Enforcement Notice on the Issuer

After an Enforcement Notice has been served on the Issuer, the Trustee (or the Cash Manager on its behalf) or any Receiver appointed by the Trustee in connection with the enforcement of the Security will apply all amounts received or recovered other than:

- (a) any amount standing to the credit of the Swap Collateral Account which will be applied in accordance with the Swap Collateral Account Priority of Payments (other than any amount to be applied as Swap Collateral Account Surplus in accordance with the Swap Collateral Account Priority of Payments); and
- (b) any amount standing to the credit of the Issuer Profit Ledger, which shall be applied by the Issuer in or towards satisfaction of any liability of the Issuer for corporation tax of the Issuer,

in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the "Post-Enforcement Priority of Payments" and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Redemption Priority of Payments, the "Priority of Payments"):

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

42	STS Criteria 42. (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;	Verified? YES
	PCS Comments See Prospectus, <i>CASHFLOWS</i> . Distributions following the delivery of an Enforcement Notice on the Issuer <i>Principal is paid sequentially under post enforcement order of priority.</i>	
43	STS Criteria 43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	Verified? YES
	PCS Comments See Prospectus, <i>CASHFLOWS</i> . Distributions following the delivery of an Enforcement Notice on the Issuer <i>The priority of payments post-enforcement maintains repayment in line with seniority.</i>	
44	STS Criteria 44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.	Verified? YES
	PCS Comments See Prospectus, <i>TERMS AND CONDITIONS OF THE NOTES</i> . 11. EVENTS OF DEFAULT 11.1 Notes The Trustee, at its absolute discretion, may or, if so directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class (provided that, in any case where the Class A Notes are the Most Senior Class, any Class of the Class A Notes may provide such direction), shall, (subject to being indemnified and/or prefunded and/or secured to its satisfaction as more particularly described in the Trust Deed) (but, in the case of the occurrence of any of the events mentioned paragraphs (b) and (c) below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the holders of the Most Senior Class of Notes or, where there are no Notes outstanding, the Certificateholders) give a notice (an "Enforcement Notice") to the Issuer (with a copy to the Swap Provider, the Cash Manager, the Servicer, the Back-Up Servicer Facilitator, the Issuer Account Bank and the Seller) that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding, together with accrued (but unpaid) interest as provided in the Trust Deed, if any of the following events (each, an "Event of Default") occur: <i>There are no provisions requiring the automatic liquidation of the Portfolio.</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	<p><u>STS Criteria</u></p> <p>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.</p>	<u>Verified?</u> YES
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>TRANSACTION OVERVIEW - OVERVIEW OF THE CHARACTERISTICS OF THE NOTES AND THE CERTIFICATES</i>.</p> <p>Sequential Order</p> <p><i>The first step in analysing this criterion is to determine whether the transaction features non-sequential priorities of payment. If the Transaction does, then does it contain appropriate triggers. The EBA Guidelines provide three examples of triggers that meet the requirement of “deterioration of the credit quality of the underlying exposures below a pre-determined threshold”. Where a trigger is one of the EBA example, then the criterion is met. If not, then an analysis must be conducted to determine whether the trigger does meet the definition of the Regulation</i></p>	

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	<p><u>STS Criteria</u></p> <p>46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p>	<u>Verified?</u> YES
	<p><u>PCS Comments</u></p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Mortgage Sale Agreement</p> <p><i>Not a revolving transaction. The transaction only contemplates assignment of Mortgage Loans on the Closing Date</i></p>	

47	STS Criteria 47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;	Verified? YES
	PCS Comments <i>See point 46 above.</i>	
48	STS Criteria 48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);	Verified? YES
	PCS Comments <i>See point 46 above.</i>	
49	STS Criteria 49. (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).	Verified? YES
	PCS Comments <i>See point 46 above.</i>	

Article 21.7. The transaction documentation shall clearly specify:

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

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

	For Principal Paying Agent, Agent Account Bank and Registrar - Agency Agreement, For Issuer Account Bank - Bank Account Agreement For Servicer - Servicing Agreement	
51	<u>STS Criteria</u> 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	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i> . Servicing Agreement. Appointment of the Replacement Servicer and the Replacement Legal Title Holder Following the termination of the Servicer following occurrence of a Servicer Termination Event or a Voluntary Termination, the Issuer shall appoint the Replacement Servicer and the Replacement Legal Title Holder as replacement servicer and replacement legal title holder respectively and the Replacement Servicer and the Replacement Legal Title Holder shall, other than where an Insolvency Event has occurred in respect of the Replacement Legal Title Holder and/or Replacement Servicer, accept such appointment. The Replacement Servicer, the Replacement Legal Title Holder, the Issuer, the Seller, the Back-Up Servicer Facilitator and Trustee shall enter into a replacement Servicing Agreement on such terms and in such form as is consistent with the prevailing market standard at the relevant time, which may include, for the avoidance of doubt, any relevant delegation provisions Appointment of the Successor Servicer and the Successor Legal Title Holder Where an Insolvency Event has occurred in relation to the Replacement Legal Title Holder and/or Replacement Servicer, the Issuer and the Back-Up Servicer Facilitator shall use reasonable endeavours to identify a suitable Successor Servicer and Successor Legal Title Holder. Back-Up Servicer Facilitator Additionally Intertrust Management Limited will agree to act as the Back-up Servicer Facilitator under the Servicing Agreement.	
52	<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.	<u>Verified?</u> YES
	<u>PCS Comments</u> See Prospectus, TRANSACTION OVERVIEW. TRIGGERS TABLES. Issuer Account Bank Swap provider	

Collection Account Bank

See also CREDIT STRUCTURE, 7. Interest Rate Risk for the Notes

Swap Agreement

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

See also Bank Account Agreement.

14. TERMINATION

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

53	STS Criteria	Verified? YES
	53. The servicer shall have expertise in servicing exposures of a similar nature to those securitised	
54	PCS Comments	Verified? YES
	54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	
	PCS Comments	
	See Prospectus, <i>THE SERVICER AND THE LEGAL TITLE HOLDER</i> .	
	TML is a specialist mortgage lender with 5 years of experience in originating and servicing mortgage loans in the UK, in both the owner occupied and buy-to-let sectors, being products of a similar nature to those that are the subject of this transaction. Further, TML's management and board members have at least 20 years of expertise in originating and servicing mortgage loans in the UK, in both the owner occupied and buy-to-let sectors.	
	See also Prospectus, <i>THE SELLER</i> .	
	PCS Comments	
	<i>PCS has received and reviewed due diligence materials and are satisfied that the requirements of this criterion is met</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	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>55. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.</p> <p><u>PCS Comments</u></p> <p>See Prospectus, <i>THE LOANS</i>.</p> <p>Servicing of the Portfolio</p> <p>See also Prospectus, <i>SUMMARY OF KEY TRANSACTION DOCUMENTS</i>.</p> <p>Servicing Agreement</p> <p>Enforcement of Mortgages</p> <p>See the Servicing Agreement.</p> <p>Schedule 3 LEGAL TITLE HOLDER'S POLICIES</p>	

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	<u>STS Criteria</u>	<u>Verified?</u> YES
	<p>56. The transaction documentation shall clearly specify the priorities of payment,</p> <p><u>PCS Comments</u></p> <p>See Prospectus, <i>CASHFLOWS</i>.</p> <p>Application of Available Revenue Receipts prior to the delivery of an Enforcement Notice on the Issuer</p> <p>Application of Available Redemption Receipts prior to the delivery of an Enforcement Notice on the Issuer</p> <p>Distributions following the delivery of an Enforcement Notice on the Issuer</p>	

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, <i>TERMS AND CONDITIONS OF THE NOTES</i> . 11. EVENTS OF DEFAULT	
58	STS Criteria 58. The transaction documentation shall clearly specify the obligation to report such events.	Verified? YES
	PCS Comments See Prospectus, UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS. UK Securitisation Regulation and EU Securitisation Regulation Reporting Any events which trigger changes in the Priority of Payments and any change in the Priority of Payments which will materially adversely affect the repayment of the Notes or Certificates shall be disclosed without undue delay to the extent required under Article 21(9) of the UK Securitisation Regulation See also Trust Deed, Clause 34. NOTIFICATION OF EVENTS.	
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 <i>See point 58 above.</i>	

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	Verified? YES
	<p>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</p> <p>PCS Comments</p> <p>See Prospectus, <i>TRANSACTION OVERVIEW - RIGHTS OF NOTEHOLDERS AND CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS</i>.</p> <p><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. PCS notes that the Prospectus covers the five provisions detailed in the EBA Guidelines.</i></p> <p><i>(a) the method for calling meetings; as for method.</i></p> <p><i>(b) the maximum timeframe for setting up a meeting</i></p> <p><i>(c) the required quorum:</i></p> <p><i>(d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision: extraordinary: .</i></p> <p><i>(e) where applicable, a location for the meetings which should be in the UK:</i></p>	

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

61	STS Criteria	Verified? YES
	<p>61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.</p> <p>PCS Comments</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Trust Deed</p> <p>See Prospectus, <i>TERMS AND CONDITIONS OF THE NOTES, TERMS AND CONDITIONS OF THE CERTIFICATES</i>.</p> <p>See Prospectus, <i>SUMMARY OF THE KEY TRANSACTION DOCUMENTS</i>.</p> <p>Deed of Charge</p> <p>See also underlying transaction documents: Trust Deed, Deed of Charge.</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, <i>UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS</i> . UK Securitisation Regulation and EU Securitisation Regulation Reporting (j) make available, to the extent required by Article 22(1) of the UK Securitisation Regulation static and dynamic historical performance data in relation to buy-to-let mortgage loans originated by TML(through the SR Website) and ensure that such information covers a period of at least 5 years; and See Prospectus, CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO Historical and Other Information Static and dynamic historical performance data in relation to buy-to-let mortgage loans originated by TML will be made available on the SR Website. Such information will cover a period of at least 5 years.	
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 <i>See point 62 above.</i>	
64	STS Criteria 64. Those data shall cover a period no shorter than five years.	Verified? YES
	PCS Comments <i>See point 62 above.</i>	

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.

<p>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,</p>	<p>Verified? YES</p>
<p>PCS Comments See Prospectus, THE LOANS. Verification of data The Seller has caused the compliance of all Loans in the Portfolio with certain eligibility criteria and a sample of the Loans included in the Portfolio together with the data disclosed in respect of those Loans to be verified by one or more appropriate and independent third parties. A sample of Loans selected from a pool of eligible loans originated by TML (and which includes the Portfolio) as of the Portfolio Reference Date has been subject to an agreed upon procedures review conducted by a third-party and completed on or about 3 August 2023. This independent third party has also performed agreed upon procedures in order to check the compliance of all Loans in the Portfolio with certain eligibility criteria and that the stratification tables disclosed in respect of the Loans are accurate. The third party undertaking the review has reported the factual findings to the parties to the engagement letter. The third party undertaking the review only accepts a duty of care to the parties to the engagement letters governing the performance of the agreed upon procedures and to the fullest extent permitted by law shall have no responsibility to anyone else in respect of the work it has performed or the reports it has produced save where terms are expressly agreed. The Seller has reviewed the reports of such independent third parties and is of the opinion that there were no significant adverse findings in such reports. <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 appropriate and independent third party.</i></p>	
<p>66 STS Criteria 66. Including verification that the data disclosed in respect of the underlying exposures is accurate.</p>	<p>Verified? YES</p>
<p>PCS Comments <i>See point 67 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, <i>UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS</i>.</p> <p>UK Securitisation Regulation and EU Securitisation Regulation Reporting</p> <p>The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):</p> <p>(h) make available to the holders of the Notes and the Certificates via the SR Website, a cash flow model, either directly or indirectly through one or more entities which provide such cash flow models to investors generally. Such cash flow model shall be made available (i) prior to pricing of the Notes to potential investors and (ii) on an ongoing basis to investors in the Notes and potential investors 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, <i>UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS</i>.</p> <p>UK Securitisation Regulation and EU Securitisation Regulation Reporting</p> <p>The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):</p> <p>(h) make available to the holders of the Notes and the Certificates via the SR Website, a cash flow model, either directly or indirectly through one or more entities which provide such cash flow models to investors generally. Such cash flow model shall be made available (i) prior to pricing of the Notes to potential investors and (ii) on an ongoing basis to investors in the Notes and potential investors upon request;</p> <p><i>Although technically covering the period between pricing and close, this is primarily a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform FCA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction.</i></p> <p><i>However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting, at the same time, that the absence of any such covenant – although possibly unsettling for some investors - would not invalidate the STS status of the transaction at closing.</i></p>	

Article 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	<u>STS Criteria</u>	<u>Verified?</u> YES
	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).	
<u>PCS Comments</u>		
See Prospectus, <i>THE LOANS</i> .		
Environmental performance		
The administrative records of the Seller and the Servicer do not contain any information related to the environmental performance of the Loans and, as such, there is no available information to be published related to the environmental performance of the Loans pursuant to Article 22(4) of the UK Securitisation Regulation.		

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

70	<u>STS Criteria</u>	<u>Verified?</u> YES
	70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.	
<u>PCS Comments</u>		
See Prospectus, UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS.		
UK Securitisation Regulation and EU Securitisation Regulation Reporting		
For the purposes of Article 22(5) of the UK Securitisation Regulation, the Seller as the originator is responsible for compliance with Article 7 of the UK Securitisation Regulation.		

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

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		

(g) within 15 days of the issuance of the Notes and Certificates, make available via the SR Website final form copies of the Transaction Documents and this Prospectus

This criterion speaks to document disclosure within 15 days of closing and therefore is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if it is not met within the specified 15-day period, then the Originator will need to inform the FCA and the STS status of the securitisation will be lost. Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction.

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

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

(a) information on the underlying exposures on a quarterly basis, or, in the case of ABCP, information on the underlying receivables or credit claims on a monthly basis;

74

STS Criteria

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

(a) information on the underlying exposures on a quarterly basis,

Verified?
YES

PCS Comments

See Prospectus, *UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS.*

UK Securitisation Regulation and EU Securitisation Regulation Reporting

The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):

(b) procure that the Servicer will prepare and deliver to the Seller, the Issuer, the Cash Manager and the Trustee each Loan Level Report in accordance with the timings set out in the Servicing Agreement;

(d) publish on the SR Website each Loan Level Report either:

(i) on or around each Monthly Reporting Date (in a month where an Interest Payment Date does not occur); or

(ii) on or around each Interest Payment Date (in a month where an Interest Payment Date does occur) simultaneously with the Investor Report;

See Prospectus, GLOSSARY

"Loan Level Report"

means each monthly loan level report in respect of each Reporting Period, of loan-by-loan information in the format required to be provided pursuant to: (x) Article 7(1)(a) of the UK Securitisation Regulation, and containing the information required pursuant to Article 7(1)(a) and Article 7(1)(e)(i) of the UK Securitisation Regulation; and (y) Article 7(1)(a) of the EU Securitisation Regulation (as in force on the Closing Date), and containing the information required pursuant to Article 7(1)(a) and Article 7(1)(e)(i) of the EU Securitisation Regulation (as in force on the Closing Date), relating to the immediately preceding Reporting Period and in the form of Annex 2 to the Disclosure RTS or such other form as may be prescribed under the UK Securitisation Regulation and/or the EU Securitisation Regulation (as in force on the Closing Date).

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

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

- (b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:
- (i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;
 - (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;
 - (iii) the derivatives and guarantees agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;
 - (iv) the servicing, back-up servicing, administration and cash management agreements;
 - (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;
 - (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;

75

STS Criteria

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

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

Verified?
YES

PCS Comments

See Prospectus, *UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS*.

UK Securitisation Regulation and EU Securitisation Regulation Reporting

The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):

- (g) within 15 days of the issuance of the Notes and Certificates, make available via the SR Website, copies of the Transaction Documents and this Prospectus; and

See Prospectus, GLOSSARY

"Transaction Documents" means the Servicing Agreement, the Agency Agreement, the Bank Account Agreement, the Collection Account Declaration of Trust, the Cash Management Agreement, the Corporate Services Agreement, the Deed of Charge, the Scottish Supplemental Charge, the Swap Agreement, the Deed Poll, the Share Trust Deed, the Issuer Security

Power of Attorney, the Incorporated Terms Memorandum, the Mortgage Sale Agreement, the Custody Agreement, each Scottish Declaration of Trust, each Scottish Trust Transfer, the Trust Deed, the Seller Power of Attorney, the Legal Title Holder Power of Attorney, the Servicer Power of Attorney and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and Certificates, and "Transaction Document" means any of the above.

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

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

76	<p><u>STS Criteria</u></p> <p>76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;</p>	<u>Verified?</u> YES
	<p><u>PCS Comments</u></p> <p>See underlying transaction documents: Cash Management Agreement, - Schedule 3 – Priorities of Payments and Deed of Charge.</p> <p>See Prospectus, <i>SUMMARY OF KEY TRANSACTION DOCUMENTS</i>.</p> <p><i>Deed of Charge</i></p> <p>See Prospectus, <i>CASHFLOWS</i>.</p> <p><i>All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under Criterion 73 above.</i></p>	

<p>Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authority referred to in Article 29 and, upon request, to potential investors:</p> <p>(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:</p> <ul style="list-style-type: none"> (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	<p>STS Criteria</p> <p>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:</p> <ul style="list-style-type: none"> (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; 	<p>Verified? YES</p>
	<p>PCS Comments</p> <p><i>The prospectus serves as the transaction summary. The prospectus contains the required information.</i></p>	

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	<u>Verified?</u> YES
<p>STS Criteria</p> <p>78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;</p> <p>PCS Comments</p> <p>See Prospectus, <i>RISK FACTORS</i>.</p> <p>Simple, Transparent and Standardised Securitisations</p> <p>The UK Securitisation Regulation makes provision for a securitisation transaction to be designated as an STS Securitisation. In order to obtain this designation, a transaction is required to comply with STS Criteria and one of the originator or sponsor in relation to such transaction is required to file an STS Notification.</p> <p>The Seller, as originator, believes, to the best of its knowledge, that the elements of the STS Criteria will have, at the Closing Date, been complied with in relation to the Notes, and it is intended that an STS Notification will be filed in relation to the Notes as at the Closing Date.</p> <p>See Prospectus, Glossary for the definitions of STS Securitisation, STS Criteria and STS Notification.</p> <p>See Prospectus, <i>UK Securitisation Regulation and EU Securitisation Regulation Reporting</i></p> <p>The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):</p> <p>(i) procure that the STS Notification is made available within 15 Business Days of the Closing Date via the FCA STS register website at https://data.fca.org.uk/#/sts/stssecuritisations (or its successor website);</p> <p>STS Status</p> <p>The Seller confirms that it will make an STS notification (as defined in the UK Securitisation Regulation) to the FCA that the Notes and the Certificates are an STS-compliant securitisation pursuant to Article 18 of the UK Securitisation Regulation. Such STS-compliant securitisations appear on the list of STS-compliant securitisations established and maintained by the FCA in accordance with Article 27(5) of the UK Securitisation Regulation. The STS notification and accompanying explanation from the Seller of the transaction's compliance with Articles 20 to 22 of the UK Securitisation Regulation (compliance with such articles being required to qualify as an STS Securitisation) will be available for inspection at the website set out above.</p> <p><i>All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS' comment under Criterion 73 above.</i></p>	

Article 7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent 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 7.1. (e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:

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

Verified?
YES

PCS Comments

See Prospectus, *UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS*.

The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):

- (a) procure that the Cash Manager will prepare and deliver to the Seller, the Issuer, the Servicer and the Trustee each Investor Report;
- (b) procure that the Servicer will prepare and deliver to the Seller, the Issuer, the Cash Manager and the Trustee each Loan Level Report in accordance with the timings set out in the Servicing Agreement;
- (c) on or around each Interest Payment Date, procure that the Cash Manager will publish on the Citibank Website (or such other website as may be available for such purpose and notified by the Cash Manager to the relevant parties) each Investor Report;

Reporting by the Cash Manager

The Cash Manager shall prepare and deliver to the Issuer, the Servicer, the Seller and the Trustee, the Investor Report by no later than the Interest Payment Date, in each case provided that the Servicer has delivered the Loan Level Report and the Servicer Report by no later than the Quarterly Servicer Report Date.

The Cash Manager shall:

- (i) publish each Investor Report and each Loan Level Report relating to the immediately preceding Collection Period on the Citibank Website (or such other website as may be available for such purpose and notified by the Cash Manager to the Issuer, the Trustee, the Seller and the Servicer) on or around the Interest Payment Date; and
- (ii) email each Investor Report to the Seller for publication on the SR Website on or around the Interest Payment Date

See Prospectus, *GLOSSARY*

"Investor Report"

means each quarterly investor report relating to the immediately preceding Collection Period detailing, among other things, certain aggregated loan file data in relation to the Portfolio prepared on the basis of information provided to the Cash Manager by the Servicer in its Servicer Report and the Loan Level Report, to be provided to investors pursuant to Article 7(1)(e) of the UK Securitisation Regulation and Article 7(1)(e) of the EU Securitisation Regulation (as in force on the Closing Date), and in the form of Annex 12 to the Disclosure RTS or such other form as may be prescribed under the UK Securitisation Regulation and/or the EU Securitisation Regulation (as in force on the Closing Date).

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

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

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

80 **STS Criteria**

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

Verified?
YES

PCS Comments

See Prospectus, *UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS*.

The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):

(e) procure the publication on the SR Website of any significant event information required to be reported pursuant to Articles 7(1)(e), 7(1)(f) and 7(1)(g) of the UK Securitisation Regulation and Articles 7(1)(e), 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation (as in force on the Closing Date) without delay;

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

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

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

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

81 STS Criteria

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

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

**Verified?
YES**

PCS Comments

See Prospectus, *UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS*.

The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):

- (e) procure the publication on the SR Website of any significant event information required to be reported pursuant to Articles 7(1)(e), 7(1)(f) and 7(1)(g) of the UK Securitisation Regulation and Articles 7(1)(e), 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation (as in force on the Closing Date) without delay;

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

Article 7.1. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest [...ABCP provisions]

82	<p>STS Criteria</p> <p>82. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest [...ABCP provisions]</p>	Verified? YES
	<p>PCS Comments</p> <p>See Prospectus, <i>UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS</i>.</p> <p>The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):</p> <p>(d) publish on the SR Website each Loan Level Report either:</p> <p>(i) on or around each Monthly Reporting Date (in a month where an Interest Payment Date does not occur); or</p> <p>(ii) on or around each Interest Payment Date (in a month where an Interest Payment Date does occur) simultaneously with the Investor Report;</p> <p>See the Prospectus, <i>GLOSSARY</i> for the Definitions of “Loan Level Report and “Investor Report”</p> <p><i>All the criteria from 74 onwards are future event criteria, as to which we refer you to PCS’ comment under Criterion 73 above.</i></p>	

Article 7.1. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay. When complying with this paragraph, the originator, sponsor and SSPE of a securitisation shall comply with national and United Kingdom law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated.

In particular, with regard to the information referred to in point (b) the originator, sponsor and SSPE may provide a summary of the concerned documentation. The Competent authority shall be able to request the provision of such confidential information to them in order to fulfil their duties under this Regulation.

83	STS Criteria	Verified? YES
<p>83. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay</p>		
<p>PCS Comments</p> <p>See Prospectus, <i>UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS</i>.</p> <p>The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):</p> <p>(e) procure the publication on the SR Website of any significant event information required to be reported pursuant to Articles 7(1)(e), 7(1)(f) and 7(1)(g) of the UK Securitisation Regulation and Articles 7(1)(e), 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation (as in force on the Closing Date) without delay;</p> <p><i>All the criteria from 76 onwards are future event criteria, as to which we refer you to PCS' comment under Criterion 75 above.</i></p>		

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

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

Or

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

84 **STS Criteria**

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

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

Or

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

Verified?

YES

PCS Comments

See Prospectus, *UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION REQUIREMENTS*.

The Seller will undertake to the Issuer that, for so long as any Notes and the Certificates remain outstanding, it will, on behalf of the Issuer in its capacity as designated entity pursuant to Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date):

- (d) publish on the SR Website each Loan Level Report either:
 - (i) on or around each Monthly Reporting Date (in a month where an Interest Payment Date does not occur); or
 - (ii) on or around each Interest Payment Date (in a month where an Interest Payment Date does occur) simultaneously with the Investor Report;
- (e) procure the publication on the SR Website of any significant event information required to be reported pursuant to Articles 7(1)(e), 7(1)(f) and 7(1)(g) of the UK Securitisation Regulation and Articles 7(1)(e), 7(1)(f) and 7(1)(g) of the EU Securitisation Regulation (as in force on the Closing Date) without delay;
- (g) within 15 days of the issuance of the Notes and Certificates, make available via the SR Website final form copies of the Transaction Documents and this Prospectus;
- (h) make available to the holders of the Notes and the Certificates via the SR Website, a cash flow model, either directly or indirectly through one or more entities which provide such cash flow models to investors generally. Such cash flow model shall be made available (i) prior to pricing of the Notes to potential investors and (ii) on an ongoing basis to investors in the Notes and potential investors upon request;
- (j) make available, to the extent required by Article 22(1) of the UK Securitisation Regulation static and dynamic historical performance data in relation to buy-to-let mortgage loans originated by Shawbrook (through the SR Website) and ensure that such information covers a period of at least 5 years; and

For the purposes of Article 7(2) of the UK Securitisation Regulation and Article 7(2) of the EU Securitisation Regulation (as in force on the Closing Date), the Issuer has been designated as the entity responsible to fulfil the requirements of Article 7 and will procure that such requirements are complied with on its behalf.

See Prospectus, *GLOSSARY*

"SR Website"

means the website of the Securitisation Repository, being www.secrep.eu or (or such other website as may be notified by the Seller to the Issuer, the Servicer, the Cash Manager, the Trustee, the Noteholders and the Certificateholders) which complies with the requirements set out in Article 7(2) of the EU Securitisation Regulation.

"Securitisation Repository"

means SecRep BV, being a "securitisation repository" under Article 2(23) of the EU Securitisation Regulation that is registered pursuant to Article 10 of the EU Securitisation Regulation.

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

85

STS Criteria

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

Verified?
YES

PCS Comments

See point 84 above.