

Provisional
STS Term Verification Checklist
Pulse UK 2024 plc



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

21st October 2024

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This is the Provisional STS Term Verification Checklist (UK Version) for STS Term Verifications.

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

This Provisional STS Term Verification Checklist is not the final STS Term Verification and is based on the draft documents and information provided to PCS by or on behalf of the originator as of the date of this assessment.

PCS comments in this Provisional STS Term Verification Checklist are based on PCS' interpretation of the Securitisation (Smarter Regulatory Framework and Consequential Amendments) Instrument 2024, in particular the Securitisation sourcebook (SECN). (a) the text of the SECN 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 STS Regulation EU 2017/2402 of the European Union as amended and incorporated into United Kingdom law by the Securitisation (Amendment) (EU Exit) Regulations 2019 (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 anticipated at the date of this Provisional STS Term Verification Checklist a Final STS Term Verification Checklist for STS Term Verification will be made available at or around closing of the transaction. However, such Final STS Term Verification Checklist for STS Term Verifications will be based upon the final materials received by PCS and will only be made available on a fully ticked basis if no material adverse changes have been made to the transaction or the relevant material which, upon becoming known to PCS, would not adversely change our analysis. Therefore, no guarantees can be provided that such Final STS Term Verification Checklist for STS Term Verification will be made available on a fully ticked basis.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page. Note that all comments on the disclaimer relate to both Provisional STS Term Checklist for STS Term Verifications and the Final STS Term Checklist for STS Term Verifications.

21st October 2024

STS Disclaimer

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

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

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

PRIME COLLATERALISED SECURITIES (PCS) STS Verification

Individual(s) undertaking the assessment	Fazel Ahmed
Date of Verification	21 October 2024
The transaction to be verified (the "Transaction")	Pulse UK 2024 plc
Issuer	Pulse UK 2024 plc
Originator	Arval UK Limited
Lead Manager(s)	BNP Paribas
Transaction Legal Counsel	Hogan Lovells International LLP
Rating Agencies	DBRS / Moody's
Stock Exchange	Irish Stock Exchange
Closing Date	[26] November 2024

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

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

Within the checklist, the relevant legislative text is set out in blue introductory boxes and the yellow boxes for the Securitisation Sourcebook Annex 1 (SECN), which will be in effect from 1 November 2024, 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	STS Criteria	Verified? YES
	<p>1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.</p> <p>2.2.2 R (1) Any SSPE must acquire title to the underlying exposures in a manner enforceable against the seller or any other third party, whether transfer of title is by means of: (a) true sale; (b) assignment; or (c) another transfer with the same legal effect as (a) or (b)</p>	
PCS Comments		
See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS		
1. RECEIVABLES PURCHASE AGREEMENT		
General		
Purchase of the Initial Portfolio on the Closing Date		
On or prior to the Closing Date, Arval, the Issuer and the Issuer Security Trustee will enter into a receivables purchase agreement (the "Receivables Purchase Agreement") pursuant to which, on the Closing Date and on each Additional Portfolio Purchase Date, the Issuer will purchase Lease Receivables from the Seller.		
Purchase of Maintenance Lease Services Amounts, RV Claims and VAT Receivables		
Upon the occurrence of a Sale Trigger Event:		
<ul style="list-style-type: none"> • the Seller must sell to the Issuer all of its rights, title, interest and benefit to receive payment of all Maintenance Lease Services Amounts relating to all current and future Lease Receivables comprised in the Portfolio and subject to the relevant Transfer Notice, on the basis that Arval will assume its obligations as Fallback Sub-Maintenance Coordinator as from such event and the Issuer will assume its obligations as the Fallback Maintenance Coordinator; • (1) the Seller must sell to the Issuer all of its rights, title, interest and benefit to the RV Claims relating to all current and future Lease Receivables comprised in the Portfolio and subject to the relevant Transfer Notice; and (2) the Issuer agrees to pay to the Seller on each Payment Date, outside the applicable Priority of Payments, as RV Deferred Purchase Price an amount (if any) by which Total Vehicle Sale Proceeds exceed the aggregate Issuer Share Vehicle Sale Proceeds relating to the Lease Receivables (see "Triggers Table"); and • The Seller must sell to the Issuer all of its rights, title, interest and benefit to the VAT Receivables relating to the Lease Receivables comprised in the Portfolio. 		
(t) Set off risk may adversely affect the value of the Portfolio or any part thereof		
The sale by the Seller to the Issuer of the Lease Receivables will be given effect by an equitable assignment only. As a result, legal title to the Lease Receivables sold by the Seller to the Issuer will remain with the Seller. Therefore, the rights of the Issuer may be subject to the direct rights of the Lessees against the Seller, including rights of set off which occur in relation to transactions (including the relevant Lease Agreement) made between the Lessees and the Seller existing prior to notification to the Lessees of the assignment of the Lease Receivables.		
(u) Equitable assignment		

As described above, the sale by the Seller to the Issuer of the Lease Receivables will take effect by way of an equitable assignment. As a result, legal title to the Lease Receivables will remain with the Seller. The Issuer, however, will have the right to demand that the Seller transfers to it legal title to the Lease Receivables in the limited circumstances described in the Receivables Purchase Agreement and, until such right arises, the Issuer will not give notice of the sale of the Lease Receivables to any Lessee.

(v) Scottish Receivables

Certain of the Lease Agreements (which are expressly governed by English law) have been entered into with Lessees who are (a) consumers and (b) located in Scotland and certain of the Vehicles leased pursuant to the Lease Agreements are located in Scotland. In such circumstances, there is a risk that the Scottish courts could apply Scots law based on the CRA.

To mitigate this risk, Arval will declare a trust (a "Scottish Trust") in favour of the Issuer over the Scottish Receivables and the Issuer will be the beneficiary under the Scottish Trust. To the extent a Scottish court considers the Lease Agreement to be governed by Scots law, legal title to the relevant Scottish Receivable will remain with Arval because no formal assignment of the Scottish Receivable duly intimated to the relevant Lessee(s) will have been made. The legal position of the Issuer under a Scottish Trust is substantially in accordance with that set out above in relation to the holding of an equitable interest in the Lease Receivables governed by the laws of England and Wales.

The Issuer Deed of Charge provides for, among other things, an assignment in security of the Issuer's interest in Scottish Trusts granted pursuant to the Scottish Supplemental Charge.

(w) Risks in relation to the Sale Trigger Event

The assignment and sale of the Maintenance Lease Services Amounts, the RV Claims and the VAT Receivables relating to the Lease Receivables comprised in the Portfolio upon the occurrence of a Sale Trigger Event, may be subject to clawback by a bank administrator or liquidator appointed in respect of the Seller which could be tested from the date of assignment and sale of such Maintenance Lease Services Amounts, RV Claims and VAT Receivables, rather than from the Closing Date.

Furthermore, there is a risk that, because the Maintenance Lease Services Amounts, RV Claims and the VAT Receivables will not be sold to the Issuer on the Closing Date, that it is not possible to effect those sales subsequently upon the occurrence of a Sale Trigger Event, if Arval were to immediately and subsequently become insolvent.

"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 Hogan Lovells International LLP confirms that an equitable assignment of the beneficial interest meets the definition of “true sale” outlined above.

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

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

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

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

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

2	STS Criteria	Verified? YES
	2. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller’s insolvency.	
	2.2.2 R (2) If the seller becomes insolvent, the transfer of the title to the SSPE must not be subject to severe clawback provisions.	
	PCS Comments	
	See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS	
	1. RECEIVABLES PURCHASE AGREEMENT	
	Corporate Warranties	
	The Seller will make the following representations and warranties to the Issuer and the Issuer Security Trustee: (i) on the Closing Date, in relation to the Initial Portfolio; (ii) on each relevant Additional Portfolio Purchase Date, in relation to any Additional Portfolio; and (iii) upon the occurrence of a Sale Trigger Event, in relation to the Maintenance Lease Services Amounts, RV Claims and VAT Receivables sold on that date, and in each case with reference to the facts and circumstances then subsisting:	

(e) it has its centre of main interests, as that term is used in Article 3(1) of the EU Insolvency Regulation and the UK Insolvency Regulation, in England and has no establishment outside England and Wales;

COMI is in the UK. The UK does not have severe clawback provisions. See comment under checklist point 1.

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

3 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.

2.2.5 R If the seller is not the original lender, the transfer of the underlying exposures to that seller by any of the means in SECN 2.2.2R(1) (whether direct or through one or more intermediate steps) must meet the requirements in SECN 2.2.1 to SECN 2.2.3.

2.2.1 R A securitisation which is not an ABCP programme or an ABCP transaction must fulfil the following requirements to be considered an STS securitisation:

- (1) those in SECN 2.2.2R to SECN 2.2.29R; and
- (2) the FCA must have received an STS notification in respect of that securitisation and the securitisation must appear on the list it publishes under regulation 10(2) of the Securitisation Regulations 2024; and
- (3) the originator and sponsor involved in the securitisation must be established in the United Kingdom.

Simplicity requirements

2.2.2 R (1) Any SSPE must acquire title to the underlying exposures in a manner enforceable against the seller or any other third party, whether transfer of title is by means of:

- (a) true sale;
- (b) assignment; or
- (c) another transfer with the same legal effect as (a) or (b).

(2) If the seller becomes insolvent, the transfer of the title to the SSPE must not be subject to severe clawback provisions.

2.2.3 R For the purposes of SECN 2.2.2R(2), the following are severe clawback provisions:

- (1) those allowing the seller’s liquidator to invalidate the sale of the underlying exposures solely because it was concluded within a certain period before the declaration of the seller’s insolvency;
- (2) provisions where the SSPE can prevent the invalidation referred to in
- (1) only if it can prove it was unaware of the seller’s insolvency at the time of sale.

**Verified?
YES**

PCS Comments

See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS

1. RECEIVABLES PURCHASE AGREEMENT

Eligibility Criteria

In order for any Lease Receivable to be assignable to the Issuer, each of the Lease Agreements, Lease Receivables and Lessees shall meet the following pre-determined criteria, as documented in the Receivables Purchase Agreement, as at the relevant Cut-Off Date (the "Eligibility Criteria"):

Lease Receivable Eligibility Criteria

- (a) The Lease Receivables have been originated by the Seller;

Lease Agreement Eligibility Criteria

- (a) The Lease Agreement was entered into between the relevant Lessee and the Seller;

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

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

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STS Criteria

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

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

2.2.6 R If the transfer of the underlying exposures is performed by assignment and perfected after the transaction's closing, the triggers to effect such perfection must be set broadly enough to require perfection in all of the following events:

- (1) severe deterioration in the seller's credit quality standing;
- (2) the seller's insolvency; and
- (3) unremedied breaches of the seller's contractual obligations, including the seller's default.

**Verified?
YES**

PCS Comments

See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS

1. RECEIVABLES PURCHASE AGREEMENT

Lessee Notification Event

Upon the occurrence of a Lessee Notification Event, the Issuer (or any agent appointed by it) shall immediately liaise with the Servicer and/or the Substitute Servicer and the Data Protection Agent (or, if applicable, its successor) in order to immediately notify the Lessees of the sale and assignment of the Lease Receivables by the Seller to the Issuer.

TRIGGERS TABLE

Lessee Notification Event "Lessee Notification Event" means the occurrence of any of the following events:

Lessee Notification Event" means the occurrence of any of the following events:

- (a) a Severe Deterioration Event;
- (b) a Servicer Termination Event;
- (c) the appointment of a Substitute Servicer pursuant to the Receivables Servicing Agreement;
- (d) the Insolvency Event of the Fallback Sub-Maintenance Coordinator; and/or
- (e) a Seller Event of Default.

Upon the occurrence of a Lessee Notification Event, the Issuer (or any agent appointed by it) (i) shall immediately liaise with the Servicer and/or the Substitute Servicer and the Data Protection Agent (or, if applicable, its successor) in order to immediately notify the Lessees of the sale and assignment of the Lease Receivables by the Seller to the Issuer and (ii) may direct (and/or require the Seller to direct) all or any of the Lessees to pay the amounts outstanding in respect of Lease Receivables (which, following the occurrence a Sale Trigger Event, shall include the Maintenance Lease Services Amounts, RV Claims and VAT Receivables) directly to the Issuer, into the General Account or into an account which is specified by the Issuer (or any agent on the Issuer's behalf).

See the section entitled "Description of Certain Transaction Documents" for more information.

See Prospectus, GLOSSARY OF DEFINED TERMS

"Severe Deterioration Event" means all or any part of the property, business, undertakings, assets or revenues of the Seller having an aggregate value in excess of £ 150,000,000 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 thirty (30) calendar days.

"Seller Event of Default"

means with respect to Arval in its capacity as Seller and Repurchaser (but excluding, for the avoidance of doubt, in its capacity as Servicer), the earliest to occur of the following:

- (a) a default is made by Arval in the payment on the due date of any amount due and payable by it under any Transaction Document to which it is a party (except, in relation to the payment of the Maintenance Reserve Advance, if the Maintenance Reserve Advance has been funded by the Maintenance Reserve Guarantor up to the Maintenance Reserve Required Amount pursuant to the Maintenance Reserve Guarantee) and such failure is not remedied within five (5) Business Days (or fifteen (15) calendar days if the breach is due to force majeure or technical reasons) after notice thereof has been given by the Purchaser or the Issuer Security Trustee to Arval;
- (b) Arval fails duly to perform or comply with any of its material obligations under any Transaction Document to which it is a party (other than a payment obligation referred to in paragraph (a) above) and if such failure is capable of being remedied, such failure, is not remedied within twenty (20) Business Days after notice thereof has been given by the Purchaser or the Issuer Security Trustee to Arval or such other party;
- (c) an Insolvency Event has occurred in respect of Arval;
- (d) Arval is dissolved or other procedures are initiated which will or may result in a liquidation of Arval (other than due to an intra group merger where Arval is the surviving entity);
- (e) any representation or warranty in the Receivables Purchase Agreement granted by Arval or in any report provided by Arval, is materially false or incorrect and such inaccuracy, if capable of remedy, is not remedied within ten (10) Business Days (or fifteen (15) calendar days if the breach is due to force majeure or technical reasons) of notice from the Issuer and has a material adverse effect in relation to the Issuer.

"Criterion 4 requires two steps:

- To determine whether the transfer of the assets is by means of an unperfected assignment; and
- If it is, whether the transaction contains the requisite triggers.

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

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

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

PCS has measured the trigger events against the EBA Guidelines.

20.5(a)

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

The trigger provided in the Transaction meets these requirements.

20.5(b)

The insolvency trigger is in the Transaction.

20.5(c)

The Regulation refers to "unremedied breaches of contractual obligations by the seller, including the seller's default".

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

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

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

The unremedied breach trigger is in the Transaction.

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

5	STS Criteria	Verified? YES
	<p>5. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.</p> <p>2.2.7 R The seller must 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 transfer by the means in SECN 2.2.2R(1).</p>	
PCS Comments		
See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS		
1. RECEIVABLES PURCHASE AGREEMENT		
Lease Warranties		
<p>The Seller will make the following representations and warranties to the Issuer and the Issuer Security Trustee: (i) on the Closing Date, in relation to the Initial Portfolio; (ii) on each relevant Additional Portfolio Purchase Date, in relation to any Additional Portfolio; and (iii) upon the occurrence of a Sale Trigger Event, in relation to the Maintenance Lease Services Amounts, RV Claims and VAT Receivables sold on that date, and in each case with reference to the facts and circumstances then subsisting as at the immediately preceding relevant Cut-Off Date:</p> <p>(t) it is the sole legal and beneficial owner of and holds the title of the relevant Leased Vehicle which is hired under a Lease Agreement to a Lessee and any such Leased Vehicle is free of any encumbrances and not subject to any retention of title arrangement or any option to acquire on, over or affecting such Leased Vehicle, other than any Permitted Encumbrance;</p> <p>(u) the assignment of the Lease Receivables and (following a Sale Trigger Event) the RV Claims pursuant to the Receivables Purchase Agreement will be effective to assign full, unencumbered beneficial title to the Lease Receivables and (following a Sale Trigger Event) the RV Claims to the Issuer and no further act, condition or thing will be required to be done in connection with such assignment in order to enable the Issuer to require payment of the Lease Receivables and (following a Sale Trigger Event) the RV Claims to the Issuer, or to enforce any such right in court, other than the delivery to each relevant obligor of a notification;</p> <p>"Permitted Encumbrance"</p> <p>means:</p> <p>(a) any lien or rights of set off arising by operation of law, statute, regulation or other mandatory provisions (including but not limited to consumer protection law);</p> <p>(b) any netting or set off arrangement entered into by the Seller or the Servicer in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances in accordance with the general business terms of such bank;</p> <p>(c) in relation to any assets other than Leased Vehicles any title transfer or retention of title arrangement entered into by the Seller or the Servicer in the ordinary course of its business;</p> <p>(d) any Encumbrance created pursuant to the Issuer Deed of Charge or the Arval Deed of Charge; and</p>		

(e) any Encumbrances created over the Seller's right, title, interest and benefit in, to and under any receivables or RV Claims that are not Lease Receivables or RV Claims, provided that any encumbrance over or in relation to (1) any Lease Receivable; (2) any right, title or interest of the Issuer in relation to any Lease Receivable; (3) any proceeds of or sums received or payable in respect of any Lease Receivable; or (4) the interest of the Issuer in any amount from time to time standing to the credit of a Bank Account, shall only be a Permitted Encumbrance under items (a) or (d) above.

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

6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....

2.2.8 R (1) The underlying exposures the seller transfers to the SSPE (if an SSPE is used) or that are otherwise securitised must meet predetermined, clear and documented eligibility criteria prohibiting active portfolio management of those exposures on a discretionary basis.

**Verified?
YES**

PCS Comments

See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS

1. RECEIVABLES PURCHASE AGREEMENT *DESCRIPTION OF THE PORTFOLIO*.

Lease Warranties

The Seller will make the following representations and warranties to the Issuer and the Issuer Security Trustee: (i) on the Closing Date, in relation to the Initial Portfolio; (ii) on each relevant Additional Portfolio Purchase Date, in relation to any Additional Portfolio; and (iii) upon the occurrence of a Sale Trigger Event, in relation to the Maintenance Lease Services Amounts, RV Claims and VAT Receivables sold on that date, and in each case with reference to the facts and circumstances then subsisting as at the immediately preceding relevant Cut-Off Date: [...]

Eligibility Criteria

In order for any Lease Receivable to be assignable to the Issuer, each of the Lease Agreements, Lease Receivables and Lessees shall meet the following pre-determined criteria, as documented in the Receivables Purchase Agreement, as at the relevant Cut-Off Date (the "Eligibility Criteria"): [...]

See Prospectus, GLOSSARY OF DEFINED TERMS

"Initial Cut Off Date"

means [31 October 2024]

"Cut Off Date"

means the Initial Cut Off Date or an Additional Cut Off Date.

"Additional Cut Off Date"

the last calendar day of the relevant Collection Period.

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

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

7

STS Criteria

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

2.2.8 R (1) The underlying exposures the seller transfers to the SSPE (if an SSPE is used) or that are otherwise securitised must meet predetermined, clear and documented eligibility criteria prohibiting active portfolio management of those exposures on a discretionary basis.

2.2.8 R (2) For the purposes of SECN 2.2.8R(1), substitution of exposures that are in breach of representations and warranties is not considered active portfolio management.

**Verified?
YES**

PCS Comments

See Prospectus, REGULATORY REQUIREMENTS

General

The Seller's rights and obligations to sell Lease Receivables to the Issuer and/or repurchase Lease Receivables from the Issuer pursuant to the Receivables Purchase Agreement, do not constitute active portfolio management for purposes of SECN 2.2.8R of the UK STS Rules.

DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS

1. RECEIVABLES PURCHASE AGREEMENT

Repurchase

Pursuant to the terms of the Receivables Purchase Agreement, the Seller will be required to repurchase the Lease Receivables (including, any Maintenance Lease Services Amounts, any RV Claims and any VAT Receivables, to the extent sold to the Issuer) in the circumstances set out below:

Repurchase obligation due to breach of the Lease Warranties

Treatment of Defaulted Lease Receivables

Repurchase Price

Clean up Call

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
	2.2.8 R (3) Exposures transferred to the SSPE (if an SSPE is used) or otherwise added to the securitisation after the closing of the transaction must meet the eligibility criteria applied to the initial underlying exposures.	
	PCS Comments See point 6 above. <i>This criterion is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform 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.</i>	

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
	2.2.9 R (1) The securitisation must be backed by a pool of underlying exposures that are homogeneous in terms of asset type, considering the specific characteristics relating to the asset type's cash flows, including their contractual, credit-risk and prepayment characteristics. <i>(2) Further details specifying which underlying exposures are homogeneous for the purposes of (1) are set out at SECN 2.4 (STS criteria: Homogeneity of underlying exposures).</i>	
	PCS Comments See Prospectus, REGULATORY REQUIREMENTS General The Lease Receivables in the Portfolio are homogeneous for purposes of SECN 2.2.9R(1) and SECN 2.4 of the UK STS Rules, on the basis that all Lease Receivables in the Portfolio: (i) have been underwritten by Arval in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential Lessee's credit risk (as described in the Section titled Characteristics of the Portfolio" – "2SELLER'S ORIGINATION AND UNDERWRITING PROCEDURES (ii) are auto leases entered into substantially on the terms of similar standard documentation; (iii) are serviced by the Servicer pursuant to the servicing agreement in accordance with similar servicing procedures with respect to monitoring, collecting and administering cash receivables of the Seller (as described in the Section titled "Characteristics of the Portfolio" – 3. "SELLER'S SERVICING PROCEDURES");	

and (iv) form one asset type, being that of auto loans and leases (iv) are homogeneous with reference to the homogeneity factor set out in SECN 2.4.2R(4)(b), which is that the Lessees are either resident or incorporated in the same jurisdiction.

As detailed in Section “CHARACTERISTICS OF THE PORTFOLIO – 2SELLER’S ORIGINATION AND UNDERWRITING PROCEDURES” of the Prospectus, the exposures are all underwritten in accordance with Arval’s credit policy, which key underlying principles are fundamentally similar for all customers (whether business or individuals), including golden rules that all customers must meet, such as UK residency/registration and UK bank accounts (with very limited exceptions), no indicators of insolvency/bankruptcy. Similar exclusions and restrictions also apply to all customers (for example, know your customer (“KYC”) requirements, no taxi or chauffeurs, no sub-hire, sanctions checks, ESG considerations, type of vehicle. Arval’s Expert System is utilised in the approval process in all cases, with slight differences between business customers and private individuals being primarily dependent on customer type, and size of exposure and regulatory requirements.

As detailed in Section “CHARACTERISTICS OF THE PORTFOLIO – 3. SELLER’S SERVICING PROCEDURES” of the Prospectus, the exposures are all serviced in accordance with equivalent procedures for monitoring, collecting and administering of cash receivables. All customers in the pool, whether business or individuals, are invoiced monthly and pay by direct debit; the rejection of a direct debit or an invoice that is still unpaid one day after the due date is considered past due. At that point for all customers the soft collections process commences and ends upon payment of the overdue amount, when the file is sent to external lawyers to commence legal proceedings or when the debt is written off. Arval is alert to changes in a customer’s credit across all segments, for example non-payment of invoices. For all customers, Credit is notified if a risk of insolvency is detected and collectors are watchful for external fraud across all customer segments. There is a centralised Collections team, with different sub-teams due to specialist requirements in managing the different types of debt. All Collections personnel report to the Head of Collections and fall within the remit of the Credit Risk and Provisioning Committee.

In the Transaction, the loans were underwritten on a similar basis, they are being serviced by ARVAL on the same platform, they are a single asset class – auto leases – and, based on the EBA’s suggested approach, the assets are all originated in the UK. PCS also takes great 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.

10	STS Criteria	Verified? YES
	10. The underlying exposures shall contain obligations that are contractually binding and enforceable.	
	2.2.9 R (3) The underlying exposures must contain contractually binding and enforceable obligations, with full recourse to debtors and, where applicable, guarantors.	
PCS Comments		
See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS		
1. RECEIVABLES PURCHASE AGREEMENT DESCRIPTION OF THE PORTFOLIO.		
Lease Warranties		
The Seller will make the following representations and warranties to the Issuer and the Issuer Security Trustee: (i) on the Closing Date, in relation to the Initial Portfolio; (ii) on each relevant Additional Portfolio Purchase Date, in relation to any Additional Portfolio; and (iii) upon the occurrence of a Sale Trigger Event, in relation to the Maintenance Lease Services Amounts, RV Claims and VAT Receivables sold on that date, and in each case with reference to the facts and circumstances then subsisting as at the immediately preceding relevant Cut-Off Date:		
(b) the underlying Lease Agreement (i) has been duly entered into by the Seller and (ii) is legal, valid, binding and enforceable save that a Lease Agreement will only be determined not to be enforceable by reason of a breach of the CCA at such time as a court delivers a judgment with respect to such specific lease;		
(h) to the best of the knowledge and belief of the Seller, each Lease Agreement has been originated in compliance with all applicable UK consumer protection legislation (including, but not limited to, the CCA) to the extent that failure to comply would have a material adverse effect on the enforceability or collectability of any such Lease Agreement;		

11	STS Criteria 11. With full recourse to debtors and, where applicable, guarantors.	Verified? YES
	2.2.9 R (3) The underlying exposures must contain contractually binding and enforceable obligations, with full recourse to debtors and, where applicable, guarantors.	
PCS Comments		
See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS		
1. RECEIVABLES PURCHASE AGREEMENT		
Eligibility Criteria		
In order for any Lease Receivable to be assignable to the Issuer, each of the Lease Agreements, Lease Receivables and Lessees shall meet the following pre-determined criteria, as documented in the Receivables Purchase Agreement, as at the relevant Cut-Off Date (the "Eligibility Criteria"):		
Lessee Eligibility Criteria		
(h) The Seller has full recourse to the Lessee;		
"Lessee(s)" means corporate entities, LLPs, sole traders and natural persons that have entered into a Lease Agreement with the Seller.		

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	STS Criteria 12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.	Verified? YES
	2.2.9 R (4) The underlying exposures must have defined periodic payment streams (the instalments of which may differ in their amounts) <i>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.</i>	
PCS Comments		
See Prospectus, CHARACTERISTICS OF THE PORTFOLIO		
2.3 Contracting procedures		
Contractual arrangements		
Calculation and payment of the lease rental		
Each Lease Agreement sets out the brand, model and specification of the vehicle selected, the term and contract mileage for the lease and the services subscribed by the Lessee, as well as the rental payable. Some Lease Agreements for larger international customers may also include provision for lease term/mileage and rental combinations within the contractual terms.		

The amount of the lease rental payable by the Lessee will depend on factors including the cost of the vehicle, its residual value at the end of the lease, the agreed mileage, the services contracted and the lease period. The lease rental represents the aggregation of a series of components which reflect each of the different aspects of the Lease Agreement: principal (the cost to the Seller of amortising the leased vehicle to its Residual Value), interest, management fee and administration costs, value added tax, and contracted services. If there is an increase in vehicle tax from the rate in place when the lease agreement is entered into, Arval is entitled to pass on that increase to the customer.

The rental is payable in advance until the vehicle is returned at the end of the lease. If the Lessee retains the vehicle after the end of the contractual term of the Lease Agreement (or the initial term for Regulated Lease Agreements), rentals are then paid in arrears.

Eligibility Criteria

In order for any Lease Receivable to be assignable to the Issuer, each of the Lease Agreements, Lease Receivables and Lessees shall meet the following pre-determined criteria, as documented in the Receivables Purchase Agreement, as at the relevant Cut-Off Date (the "Eligibility Criteria"):

Lease Receivable Eligibility Criteria

(e) The Lease Receivable gives rise to monthly Lease Instalments of at least GBP 50;

See GLOSSARY OF DEFINED TERMS

"Lease Instalment"

means, in respect of any Lease Receivable and the relevant Lease Agreement, the amounts of each of the lease rental payments scheduled to be made by the Lessee on each Lease Instalment Due Date under that Lease Agreement (as such amounts may be amended, suspended or adjusted from time to time in accordance with the Servicing Procedures subject to the provisions of the Receivables Servicing Agreement).

"Lease Instalment Due Date"

means, in respect of any Lease Agreement, the date on which the payment of the Lease Instalment is due and payable by the relevant Lessee (as such date may be amended from time to time in accordance with the Servicing Procedures subject to the provisions of the Receivables Servicing Agreement).

"Lease Instalment Interest Component" means in respect of any Lease Receivable and the relevant Lease Agreement, and in respect of each Lease Instalment Due Date, the interest component of the financial lease rental included in any Lease Instalments as determined under an actuarial calculation as calculated by the Servicer.

"Lease Instalment Principal Component" means in respect of any Lease Receivable and the relevant Lease Agreement, and in respect of each Lease Instalment Due Date, the principal component of the financial lease rental included in any Lease Instalments as determined under an actuarial calculation as calculated by the Servicer.

13	STS Criteria	Verified? YES
	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. 2.2.9 R (4) <i>The underlying exposures must 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.</i>	
	PCS Comments See point 12 above. "Ancillary Rights"	

means certain rights related to each Lease Receivable transferred by the Seller pursuant to the Receivables Purchase Agreement (to the extent that the same are capable of transfer) including any rights of action against the relevant Lessee, rights to the proceeds arising from any Insurance Policy, Lessee Early Termination Fees, Total Loss Insurance Indemnities and rights against any person or entity guaranteeing (as the case may be) the obligations (in whole or in part) of the Lessee under the applicable Lease Agreement, and excluding any RV Claims prior to the occurrence of a Sale Trigger Event.

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>2.2.9 R (5) The underlying exposures must not include any transferable security, other than corporate bonds not listed on a trading venue.</p>	
<p>PCS Comments</p> <p>See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS</p> <p>1. RECEIVABLES PURCHASE AGREEMENT</p> <p>Eligibility Criteria</p> <p>In order for any Lease Receivable to be assignable to the Issuer, each of the Lease Agreements, Lease Receivables and Lessees shall meet the following pre-determined criteria, as documented in the Receivables Purchase Agreement, as at the relevant Cut-Off Date (the "Eligibility Criteria"):</p> <p>Lease Receivable Eligibility Criteria</p> <p>(n) The Lease Receivables do not include (i) transferable securities, as defined in point (24) of Article 2(1) of Regulation (EU) No 600/2014, as it forms part of UK domestic law by virtue of the EUWA , (ii) any securitisation positions or (iii) any derivatives;</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>2.2.10 R The underlying exposures must not include any securitisation position.</p>	
<p>PCS Comments</p>		

See point 14 above.

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
	2.2.11 R (1) The underlying exposures must be originated: (a) in the ordinary course of the originator's or original lender's business; and		
	PCS Comments	<p>See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS</p> <p>1. RECEIVABLES PURCHASE AGREEMENT</p> <p>Lease Warranties</p> <p>The Seller will make the following representations and warranties to the Issuer and the Issuer Security Trustee: (i) on the Closing Date, in relation to the Initial Portfolio; (ii) on each relevant Additional Portfolio Purchase Date, in relation to any Additional Portfolio; and (iii) upon the occurrence of a Sale Trigger Event, in relation to the Maintenance Lease Services Amounts, RV Claims and VAT Receivables sold on that date, and in each case with reference to the facts and circumstances then subsisting as at the immediately preceding relevant Cut-Off Date:</p> <p>(c) the underlying Lease Agreement has been entered into in the ordinary course of business of the Seller in accordance with its Origination and Underwriting Procedures and on arms' length commercial terms pursuant to underwriting standards that are no less stringent than those the Seller applied at the time of origination to similar exposures that are not included in the Portfolio;</p>	
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
	2.2.11 R (1) The underlying exposures must be originated: (b) following underwriting standards at least as rigorous as those the originator or original lender applied at the time of origination to similar unsecuritised exposures, to the extent there are any		
	PCS Comments	See point 16 above.	

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
	2.2.11 R (2) The originator or the original lender (as the case may be) must fully disclose to potential investors, without undue delay: (a) the underwriting standards pursuant to which the underlying exposures are originated; and (b) any material changes from former underwriting standards.	
	<p>PCS Comments</p> <p>See Prospectus, CHARACTERISTICS OF THE PORTFOLIO</p> <p>2. SELLER'S ORIGINATION AND UNDERWRITING PROCEDURES</p> <p>See also Prospectus, REGULATORY REQUIREMENTS</p> <p>General</p> <p>Any material change to the Origination and Underwriting Procedures or Servicing Procedures after the date of this Prospectus which would affect the homogeneity (as determined in accordance with SECN 2.2.9R(1) and SECN 2.4 of the UK STS Rules) of the Lease Receivables comprising the Portfolio or which would materially affect the overall credit risk or the expected average performance of the Portfolio will (to the extent such change affects the Lease Receivables included in the Portfolio) be disclosed (along with explanation of the rationale for such changes being made) to investors by the Seller without undue delay.</p> <p><i>Although somewhat confusingly drafted, the EBA Guidelines make clear that the part of the criterion referring to changes from prior underwriting is a future event criterion. It applies changes in underwriting criteria that occur post-closing. In other words, it cannot be either met or failed at the outset of the transaction. But if, at a later stage, it is not met, then the Originator will need to inform the FCA and the STS status of the securitisation will be lost.</i></p> <p><i>Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting at the same time that the absence of any such covenant – although possibly unsettling for some investors – would not invalidate the STS status of the transaction at closing.</i></p>	

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

19	STS Criteria 19. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.	Verified? YES
	2.2.11 R (3) For securitisations with residential loans as underlying exposures, the pool of loans must 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 lender might not verify the information provided.	
	PCS Comments <i>Not applicable, the underlying exposures are auto loans and leases.</i>	

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

20	STS Criteria 20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.	Verified? YES
	2.2.11 R (4) The assessment of the borrower's creditworthiness must meet the requirements in: (a) CONC 5.2A.7R; (b) MCOB 11.6.2R(1)(a), MCOB 11.6.2R(1)(b), MCOB 11.6.2R(2), MCOB 11.6.5R(1), MCOB 11.6.60R and MCOB 11A.2.1R; or (c) where applicable, equivalent requirements in a third country.	
	PCS Comments See Prospectus, Lease Warranties The Seller will make the following representations and warranties to the Issuer and the Issuer Security Trustee: (i) on the Closing Date, in relation to the Initial Portfolio; (ii) on each relevant Additional Portfolio Purchase Date, in relation to any Additional Portfolio; and (iii) upon the occurrence of a Sale Trigger Event, in relation to the Maintenance Lease Services Amounts, RV Claims and VAT Receivables sold on that date, and in each case with reference to the facts and circumstances then subsisting as at the immediately preceding relevant Cut-Off Date: (ee) has assessed the Lessee' creditworthiness based on sufficient, accurate and up-to-date data, with the necessary information obtained either from consumers and/or from third parties, in a manner compliant with the requirements of SECN 2.2.11R(4); and	

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

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

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

21	STS Criteria	Verified? YES
	21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	
	2.2.11 R (5) The originator or original lender must have expertise in originating exposures of a similar nature to those securitised.	
PCS Comments		
See Prospectus, Corporate Warranties		
The Seller will make the following representations and warranties to the Issuer and the Issuer Security Trustee: (i) on the Closing Date, in relation to the Initial Portfolio; (ii) on each relevant Additional Portfolio Purchase Date, in relation to any Additional Portfolio; and (iii) upon the occurrence of a Sale Trigger Event, in relation to the Maintenance Lease Services Amounts, RV Claims and VAT Receivables sold on that date, and in each case with reference to the facts and circumstances then subsisting:		
(n) for the purposes of satisfying compliance with SECN 2.2.11R(5) and SECN 2.2.22R(1) of the UK STS Rules, it has an expertise of at least five (5) years prior to the Closing Date in originating and servicing exposures of a similar nature as the Lease Receivables; and		
<i>An entity originating assets similar to those securitised for at least five years is deemed, according to the EBA Guidelines to have "expertise".</i>		

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

22	STS Criteria	Verified? YES
	22. The underlying exposures shall be transferred to the SSPE after selection without undue delay...	
	2.2.12 R (1) After the underlying exposures have been selected, they must be transferred to the SSPE (if an SSPE is used) or otherwise securitised without undue delay	
PCS Comments		
See Prospectus, GLOSSARY OF DEFINED TERMS		
"Cut Off Date" means the Initial Cut Off Date or an Additional Cut Off Date."		
"Initial Cut Off Date" means [31 October 2024].		

"Additional Cut Off Date" the last calendar day of the relevant Collection Period.
 "Collection Period" means the period commencing on and including the first day of a calendar month and ending on (but excluding) the first day of the next calendar month.
 ""Closing Date" means [26 November 2024].
[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.]

23	STS Criteria	Verified? YES
	23. And shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013... 2.2.12 R (2) At the time of selection, the underlying exposures must not include exposures in default within the meaning of Article 178(1) of the UK CRR or exposures to a credit-impaired debtor or guarantor who, to the best of the originator's or original lender's knowledge:	
	<p>PCS Comments</p> <p>See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS</p> <p>1. RECEIVABLES PURCHASE AGREEMENT</p> <p>Eligibility Criteria</p> <p>In order for any Lease Receivable to be assignable to the Issuer, each of the Lease Agreements, Lease Receivables and Lessees shall meet the following pre-determined criteria, as documented in the Receivables Purchase Agreement, as at the relevant Cut-Off Date (the "Eligibility Criteria"):</p> <p>Lease Receivable Eligibility Criteria</p> <p>(i) The Lease Receivable is not a defaulted receivable within the meaning of Article 178(1) of UK CRR;</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	<u>Verified?</u> YES
24. Or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:	<p>2.2.12 R (2) At the time of selection, the underlying exposures must not include exposures in default within the meaning of Article 178(1) of UK CRR or exposures to a credit-impaired debtor or guarantor who, to the best of the originator's or original lender's knowledge:</p> <p>(a) was, at the time of origination, where applicable:</p> <ul style="list-style-type: none"> (i) on a public credit registry of persons with adverse credit history; or (ii) if there is no such public credit registry, another credit registry that is available to the originator or original lender; <p>(b) 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 unsecuritised exposures the originator holds, if any;</p> <p>(c) has been declared insolvent;</p> <p>(d) had a court grant its creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 years before the date of origination; or</p> <p>(e) has undergone a debt restructuring process with regard to its non-performing exposures within 3 years before the date of transfer of the underlying exposures to the SSPE (if an SSPE is used) or other means of securitising the underlying exposure.</p> <p>(3) If a credit-impaired debtor or guarantor has undergone a debt restructuring process as described in (2)(e), the underlying exposures may include exposures to that credit-impaired debtor or guarantor if:</p> <ul style="list-style-type: none"> (a) the restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least 1 year before the date the underlying exposures were transferred to the SSPE (if an SSPE is used) or otherwise securitised; and (b) the information the originator, sponsor and SSPE have provided in accordance with SECN 6.2.1R(1) and SECN 6.2.1R(5)(a) explicitly sets out: <ul style="list-style-type: none"> (i) the proportion of total underlying exposures, which have been restructured; (ii) the time and details of the restructuring; and (iii) their performance since the date they were restructured. 	

PCS Comments

See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS

1. RECEIVABLES PURCHASE AGREEMENT**Eligibility Criteria**

In order for any Lease Receivable to be assignable to the Issuer, each of the Lease Agreements, Lease Receivables and Lessees shall meet the following pre-determined criteria, as documented in the Receivables Purchase Agreement, as at the relevant Cut-Off Date (the "Eligibility Criteria"):

Lessee Eligibility Criteria

(f) To the best of the Seller's knowledge, on the basis of information obtained (a) from such Lessee at time of origination of the Lease Agreement, (b) in the course of the Seller's servicing of the Lease Receivables or the Seller's risk management procedures, or (c) from a third party, no Lessee is a credit-impaired debtor who:

(i) has been declared insolvent or bankrupt (as applicable) or subject to insolvency or bankruptcy proceedings (as applicable) or had a court grant their 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 their non-performing exposures within three years prior to the relevant Purchase Date, except if:

(A) restructured underlying exposure has not presented new arrears since the date of the restructuring, which took place at least one year prior to the relevant Purchase Date; and

(B) the information provided by Arval (as originator) in accordance with SECN 6.2.1R(1) and 6.2.1R(5) of the FCA Transparency Rules and points (a) and (e)(i) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation 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;

(ii) was, at the time of origination of the relevant Lease Receivable, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit register that is available to the Seller; and/or

(iii) had 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 Seller which are not included in the Portfolio;

(g) The Lessee does not have a credit assessment indicating, based on the Seller's underwriting policy, a significant risk that contractually agreed payments will not be made;

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
	(c) has been declared insolvent; (d) had a court grant its creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 years before the date of origination;	
	PCS Comments <i>See point 24 above.</i>	
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
	(e) has undergone a debt restructuring process with regard to its non-performing exposures within 3 years before the date of transfer of the underlying exposures to the SSPE (if an SSPE is used) or other means of securitising the underlying exposure.	
	PCS Comments <i>See point 24 above.</i>	
27	STS Criteria 27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and	Verified? YES
	(3) If a credit-impaired debtor or guarantor has undergone a debt restructuring process as described in (2)(e), the underlying exposures may include exposures to that credit-impaired debtor or guarantor if: (a) the restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least 1 year before the date the underlying exposures were transferred to the SSPE (if an SSPE is used) or otherwise securitised; and	
	PCS Comments <i>See point 24 above.</i> <i>No restructured borrowers are included in the pool.</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

	<p>(b) the information the originator, sponsor and SSPE have provided in accordance with SECN 6.2.1R(1) and SECN 6.2.1R(5)(a) explicitly sets out:</p> <ul style="list-style-type: none"> (i) the proportion of total underlying exposures, which have been restructured; (ii) the time and details of the restructuring; and (iii) their performance since the date they were restructured. 	
	<p>PCS Comments</p> <p>See point 24 above.</p> <p>No restructured borrowers are included in the pool.</p>	
29	<p>STS Criteria</p> <p>29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;</p>	<p>Verified? YES</p>
	<p>(a) was, at the time of origination, where applicable:</p> <ul style="list-style-type: none"> (i) on a public credit registry of persons with adverse credit history; or (ii) if there is no such public credit registry, another credit registry that is available to the originator or original lender; 	
	<p>PCS Comments</p> <p>See point 24 above.</p>	
30	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>(b) 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 unsecuritised exposures the originator holds, if any;</p>	
	<p>PCS Comments</p> <p>See point 24 above.</p>	

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

31	STS Criteria 31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.	Verified? YES
	2.2.13 R The debtors must, at the time the exposures are transferred, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or with a maturity of less than 1 year (including, without limitation, monthly payments on revolving credits).	
	<p>PCS Comments</p> <p>See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS</p> <p>1. RECEIVABLES PURCHASE AGREEMENT</p> <p>Eligibility Criteria</p> <p>In order for any Lease Receivable to be assignable to the Issuer, each of the Lease Agreements, Lease Receivables and Lessees shall meet the following pre-determined criteria, as documented in the Receivables Purchase Agreement, as at the relevant Cut-Off Date (the "Eligibility Criteria"):</p> <p>Lease Receivable Eligibility Criteria</p> <p>(g) At least one (1) Lease Instalment under the relevant Lease Agreement has been paid as at the relevant Cut-Off Date;</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 32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.	Verified? YES
	2.2.14 R (1) A securitisation must not be structured so that repayment of investors depends predominantly on the sale of the assets securing the underlying exposures. (2) Paragraph (1) must not prevent such assets from subsequently being rolled over or refinanced. (3) If a securitisation's underlying exposures are secured by assets, and the value of those assets is guaranteed or fully mitigated by an obligation on the seller or another third party to repurchase them, that securitisation does not contravene the prohibition in (1)	
	<p>PCS Comments</p> <p>See Prospectus, RISK FACTORS</p>	

7. MACROECONOMIC AND MARKET RISKS

(a) General market volatility

So long as Arval exercise its right to repurchase Defaulted Lease Receivables the Issuer should not be exposed to residual value risk. If Arval does not or cannot exercise such repurchase option, the residual value risk for the Issuer is the risk that any Issuer Share Vehicle Sale Proceeds of Leased Vehicles are insufficient to cover an amount equal to the Aggregate Outstanding Lease Principal Balance of the Defaulted Lease Receivable, together with any unpaid amount due by the relevant Lessees under the relevant Lease Receivables. A period when used car residual values in the UK performed relatively strongly was followed by a more recent period of value reductions, albeit from a high starting position. This was especially prevalent for some profiles of vehicle, for example battery electric vehicles (BEVs)

Calculation and payment of the lease rental

The amount of the lease rental payable by the Lessee will depend on factors including the cost and characteristics of the vehicle, its residual value at the end of the lease, the conditions of use, the agreed mileage, the services contracted and the lease period. The lease rental represents the aggregation of a series of components which reflect each of the different aspects of the Lease Agreement: principal (the cost to the Seller of amortising the leased vehicle to its Residual Value), interest, management fee and administration costs, value added tax, and contracted services. If there is an increase in vehicle tax from the rate in place when the lease agreement is entered into, Arval is entitled to pass on that increase to the customer.

See Prospectus, *DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS*

1. RECEIVABLES PURCHASE AGREEMENT

Consideration

The consideration for the sale of the Initial Portfolio will be the Issuer paying to the Seller an amount equal to the Initial Purchase Price on the Closing Date and (subject to the conditions on the payment of Residual Deferred Purchase Price, Junior Deferred Purchase Price, RV Deferred Purchase Price and VAT Deferred Purchase Price) the Deferred Purchase Price.

The consideration for the sale of any Additional Portfolio will be the Issuer paying to the Seller an amount equal to the Additional Portfolio Purchase Price on the relevant Additional Portfolio Purchase Date and (subject to the conditions on the payment of Residual Deferred Purchase Price, Junior Deferred Purchase Price, RV Deferred Purchase Price and VAT Deferred Purchase Price) the Deferred Purchase Price.

There is no residual value securitised and funded by the noteholders. RV claims are to ensure that for non-performing leases and recovery proceeds are for the benefit of the Issuer to repay outstanding amounts on the lease receivables.

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

33	<u>STS Criteria</u>	<u>Verified?</u> YES
	33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.	
	2.2.15 R The originator, sponsor or original lender must satisfy the risk-retention requirement in accordance with SECN 5.	
<u>PCS Comments</u>		
See Prospectus, Retention Undertaking		
<p>On the Closing Date and while any of the Notes remain outstanding, Arval will, as an originator for the purposes of the FCA Risk Retention Rules retain a material net economic interest of not less than 5% in the securitisation as required by SECN 5.2.1R of the FCA Risk Retention Rules and Article 6(1) of the EU Securitisation Regulation (which does not take into account any corresponding national measures) (the "Retention"). As at the Closing Date, the Retention will comprise Arval holding the first loss tranche, namely the Class B Note, in accordance with SECN 5.2.8R(1)(d) of the FCA Risk Retention Rules and Article 6(3)(d) of the EU Securitisation Regulation. Any change in the manner in which the interest is held may only be made in accordance with the applicable laws and regulations and will be notified to the Noteholders. See the section entitled "Regulatory Requirements" and the Risk Factor entitled "Regulatory treatment of ABS (including Basel III and risk retention)" for further information.</p>		
REGULATORY REQUIREMENTS		
General		
<p>Arval, as originator will retain a material net economic interest of not less than five per cent. (5%) in the securitisation as required by SECN 5.2.1R of the FCA Risk Retention Rules and Article 6(1) of the EU Securitisation Regulation (which does not take into account any relevant national measures). As at the Closing Date and while any of the Notes remain outstanding, such interest will be comprised of an interest in the Class B Note in accordance with SECN 5.2.8R(1)(d) oof the FCA Risk Retention Rules. Any change to the manner in which such interest is held will be notified to Noteholders.</p>		
<p>Arval has provided a corresponding undertaking with respect to the interest to be retained by it to the Lead Manager in the Subscription Agreement.</p>		
<p>Lease Receivables have not been selected to be sold to the Issuer with the aim of rendering losses on the Lease Receivables sold to the Issuer, measured over a period of 4 years, higher than the losses over the same period on comparable assets held on the balance sheet of Arval.</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	<u>STS Criteria</u>	<u>Verified?</u> YES
	34. The interest rate...risks arising from the securitisation shall be appropriately mitigated.	
	2.2.16 R (1) The interest rate <i>and currency risks</i> arising from the securitisation must be appropriately mitigated. Any measures taken to that effect must be disclosed.	
<u>PCS Comments</u>		

See Prospectus, *RISK FACTORS*.

6. COUNTERPARTY RISKS

(e) Interest rate risk on the Class A Notes resulting in the risk of Swap Counterparty insolvency

On or about the Closing Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty.

The Swap Agreement will hedge certain risks of a mismatch between the floating rate of interest payable by the Issuer on the Class A Notes and income to be received by the Issuer in respect of the Lease Receivables.

During those periods in which the floating rates payable by the Swap Counterparty under the Swap Agreement are substantially greater than the fixed rates payable by the Issuer under such Swap Agreement, the Issuer will be more dependent on receiving payments from such Swap Counterparty in order to make interest payments on the Notes. If the Swap Counterparty fails to pay any amounts when due under the Swap Agreement, the Collections from the Portfolio and, if applicable, any Swap Collateral may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

The Swap Agreement covers a significant portion of the interest rate risk present in the context of the Notes.

See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS

13. SWAP AGREEMENT

Swap Agreement

On or about the Closing Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty. The Swap Agreement will hedge floating interest rate risk on the Class A Notes against income to be received by the Issuer in respect of the Lease Receivables.

Under the Swap Agreement the Issuer will pay to the Swap Counterparty on each Payment Date an amount determined by reference to a fixed rate of interest and the notional amount under the Swap Agreement. The Swap Counterparty will pay to the Issuer on each Payment Date an amount determined by reference to a floating rate of interest and such notional amount under the Swap Agreement.

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

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

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

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

	<i>In the case of the Transaction, payments from the underlying receivables include fixed rate payments, while the Class A notes are floating rate are floating rate. Interest rate swaps are used in the Transaction to mitigate fixed-to-floating interest rate risk.</i>	
35	STS Criteria	Verified? YES
	35. Currency risks arising from the securitisation shall be appropriately mitigated.	
	2.2.16 R (1) The <i>interest rate and</i> currency risks arising from the securitisation must be appropriately mitigated. Any measures taken to that effect must be disclosed.	
	PCS Comments	
	<i>Liabilities:</i>	
	See Prospectus, TERMS AND CONDITIONS OF THE NOTES	
	1. FORM, DENOMINATION AND TITLE	
	1.1 Form and Denomination	
	The minimum denomination of the Notes in global and (if issued and printed) definitive form will be £[100,000].	
	<i>Assets:</i>	
	See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS	
	1. RECEIVABLES PURCHASE AGREEMENT	
	Eligibility Criteria	
	In order for any Lease Receivable to be assignable to the Issuer, each of the Lease Agreements, Lease Receivables and Lessees shall meet the following pre-determined criteria, as documented in the Receivables Purchase Agreement, as at the relevant Cut-Off Date (the "Eligibility Criteria"):	
	<i>Lease Receivable Eligibility Criteria</i>	
	(a) <i>The Lease Receivables have been originated by the Seller;</i>	
	(b) <i>The Lease Receivable is denominated and payable in Sterling;</i>	
	<i>Notes and underlying assets both denominated in Sterling.</i>	
36	STS Criteria	Verified? YES
	36. Any measures taken to that effect shall be disclosed.	
	2.2.16 R (1) The <i>interest rate and</i> currency risks arising from the securitisation must be appropriately mitigated. Any measures taken to that effect must be disclosed.	
	PCS Comments	
	See point 34 above.	

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

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

37	STS Criteria	Verified? YES
	37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...	
	2.2.16 R (2) The securitisation must be structured such that: (a) the SSPE does not enter into derivative contracts, unless to hedge interest rate or currency risk; and	
PCS Comments		
See Prospectus,		
13. SWAP AGREEMENT		
In accordance with the terms of the Transaction Documents the Issuer shall not enter into any derivative contracts other than the Swap Agreement		
38	STS Criteria	Verified? YES
	38. ...Shall ensure that the pool of underlying exposures does not include derivatives.	
	2.2.16 R (2) The securitisation must be structured such that: (b) the pool of underlying exposures does not include derivatives.	
PCS Comments		
See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS		
1. RECEIVABLES PURCHASE AGREEMENT		
Eligibility Criteria		
In order for any Lease Receivable to be assignable to the Issuer, each of the Lease Agreements, Lease Receivables and Lessees shall meet the following pre-determined criteria, as documented in the Receivables Purchase Agreement, as at the relevant Cut-Off Date (the "Eligibility Criteria"):		
Lease Receivable Eligibility Criteria		
(n) The Lease Receivables do not include transferable securities, as defined in point (24) of Article 2(1) of Regulation (EU) No 600/2014, as it forms part of UK domestic law by virtue of the EUWA , nor any securitisation positions or any derivatives;		

39	STS Criteria	39. Those derivatives shall be underwritten and documented according to common standards in international finance.	Verified? YES
	2.2.16 R (3) Any derivatives into which the SSPE does enter in accordance with (2)(a) must be underwritten and documented according to common standards in international finance.		
	PCS Comments	<p>See Prospectus, GLOSSARY OF DEFINED TERMS</p> <p>"Swap Agreement"</p> <p>means the swap agreement, consisting of an ISDA 2002 Master Agreement, a schedule and a credit support annex thereto and a confirmation thereunder, entered into on or about the Closing Date between the Issuer and the Swap Counterparty.</p> <p>See underlying transaction swap 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	40. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds and shall not reference complex formulae or derivatives.	Verified? YES
	2.2.17 R Any referenced interest payments under the securitisation assets and liabilities must:		
	PCS Comments	<p>(1) be based on generally used market interest rates or generally used sectoral rates reflective of the cost of funds; and</p> <p>(2) not reference complex formulae or derivatives.</p> <p>Liabilities</p> <p>See Prospectus, <i>TERMS AND CONDITIONS OF THE NOTES</i></p> <p>4.3 Rate of Interest</p> <p>The interest rate applicable to the Class A Notes shall be Compounded Daily SONIA plus [ClassAMargin]% per annum (the "Class A Notes Interest Rate") for each Interest Period.</p> <p>The interest rate applicable to Class B Note shall be [3.80]% per annum (the "Class B Note Interest Rate", and together with the Class A Notes Interest Rate, the "Interest Rate").</p> <p>See underlying transaction documents, <i>RESERVE LOAN AGREEMENT</i>, 5.2 <i>Interest rate</i></p> <p>Assets</p> <p>See Prospectus, GLOSSARY OF DEFINED TERMS</p>	

"Lease Instalment Interest Component" means in respect of any Lease Receivable and the relevant Lease Agreement, and in respect of each Lease Instalment Due Date, the interest component of the financial lease rental included in any Lease Instalments as determined under an actuarial calculation as calculated by the Servicer.

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;

2.2.18 R If an enforcement or an acceleration notice has been delivered:

- (1) no cash may be trapped in the SSPE above what is needed to ensure the SSPE's operational functioning or the orderly repayment of investors under the securitisation's contractual terms. However, an amount of cash may be so trapped if exceptional circumstances require it to be used (in the investors' best interests) to pay expenses to prevent deterioration in the underlying exposures' credit quality;
- (2) principal receipts from the underlying exposures must be passed to investors via sequential amortisation of the securitisation positions, as determined by the securitisation positions' seniority;
- (3) repayment of the securitisation positions must not be reversed with regard to their seniority; and
- (4) no provisions may require automatic liquidation of the underlying exposures at market value.

**Verified?
YES**

PCS Comments

See Prospectus, TERMS AND CONDITIONS OF THE NOTES

6. REDEMPTION

6.2 Amortisation Period

(b) During the Accelerated Amortisation Period

"Accelerated Amortisation Period Priority of Payments" has the meaning given on page 96.

See TRANSACTION OUTLINE

	<p>Accelerated Amortisation Period Priority of Payments: After the occurrence of an Accelerated Amortisation Event, all funds available to the Issuer (including any amounts standing to the credit of the General Account and all monies received or recovered by the Issuer Security Trustee or any Receiver in respect of the Issuer Charged Assets, but excluding any amounts standing to the credit of the Swap Collateral Accounts, the Maintenance Reserve Account, any Tax Credits and any Replacement Swap Premium and Collections representing VAT Collections) will be applied by the Issuer Security Trustee (or the Cash Manager on its behalf) on any Payment Date according to the following order of priority (in each case if and to the extent payments of a higher order of priority have been made in full) (the "Accelerated Amortisation Period Priority of Payments"): [...]</p>	
42	<p>STS Criteria</p> <p>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;</p> <p>2.2.18 R If an enforcement or an acceleration notice has been delivered: (2) principal receipts from the underlying exposures must be passed to investors via sequential amortisation of the securitisation positions, as determined by the securitisation positions' seniority;</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES</p> <p>Redemption Profile Sequential</p> <p>See Prospectus, TERMS AND CONDITIONS OF THE NOTES</p> <p>6. REDEMPTION</p> <p>6.2 Amortisation Period</p> <p>(b) During the Accelerated Amortisation Period</p> <p>"Accelerated Amortisation Period Priority of Payments" has the meaning given on page 96.</p> <p>See TRANSACTION OUTLINE</p> <p>Accelerated Amortisation Period Priority of Payments: After the occurrence of an Accelerated Amortisation Event, all funds available to the Issuer (including any amounts standing to the credit of the General Account and all monies received or recovered by the Issuer Security Trustee or any Receiver in respect of the Issuer Charged Assets, but excluding any amounts standing to the credit of the Swap Collateral Accounts, the Maintenance Reserve Account, any Tax Credits and any Replacement Swap Premium and Collections representing VAT Collections) will be applied by the Issuer Security Trustee (or the Cash Manager on its behalf) on any Payment Date according to the following order of priority (in each case if and to the extent payments of a higher order of priority have been made in full) (the "Accelerated Amortisation Period Priority of Payments"): [...]</p> <p><i>Principal is paid sequentially under Normal Amortisation Period Priority of Payments: and the Accelerated Amortisation Period Priority of Payments</i></p>	

43	STS Criteria	43. (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	Verified? YES
	2.2.18 R If an enforcement or an acceleration notice has been delivered: (3) repayment of the securitisation positions must not be reversed with regard to their seniority; and		
PCS Comments			
See Prospectus, TERMS AND CONDITIONS OF THE NOTES			
6. REDEMPTION			
6.2 Amortisation Period			
(b) During the Accelerated Amortisation Period			
See the GLOSSARY OF DEFINED TERMS			
"Accelerated Amortisation Period Priority of Payments" has the meaning given on page 96.			
See TRANSACTION OUTLINE			
Normal Amortisation Period Priority of Payments:			
Accelerated Amortisation Period Priority of Payments:			
<i>There is no reversal of seniority Normal Amortisation Period Priority of Payments: and the Accelerated Amortisation Period Priority of Payments</i>			
44	STS Criteria	44. (d) No provisions shall require automatic liquidation of the underlying exposures at market value.	Verified? YES
	2.2.18 R If an enforcement or an acceleration notice has been delivered: (4) no provisions may require automatic liquidation of the underlying exposures at market value.		
PCS Comments			
See Prospectus, RISK FACTORS			
2. RISK FACTORS RELATING TO THE ISSUER			
(b) The Issuer has limited assets			
The financial resources of the Issuer for the payment of principal and interest amounts due in respect of the Class A Notes are mainly arising from (i) any payments made by the Swap Counterparty under the Swap Agreement, (ii) moneys held under the Start-up Reserve Advance, the Liquidity Reserve Advance, the Set-Off Reserve Advance (if any), the Commingling Reserve Advance (if any), the Maintenance Reserve Advance (if any) and (iii) any collections received, recoveries made or proceeds of sale in respect of the Lease Receivables.			

The ability of the Issuer to redeem all the Class A Notes in full and to pay all other amounts due to the Noteholders will depend upon whether sufficient amounts in respect of those underlying exposures and contractual rights and/or the related Ancillary Rights can be collected and received timely to satisfy payments due under the Class A Notes after having satisfied claims ranking in priority of the Class A Notes (including without limitation any applicable Priority of Payments). No provision of the Transaction Documents shall require automatic liquidation of the Lease Receivables purchased by the Issuer at market value

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

45	STS Criteria	Verified? YES
	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.	
	2.2.19 R Transactions featuring non-sequential priority of payments must 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 must include the deterioration in the credit quality of the underlying exposures below a predetermined threshold.	
PCS Comments		
<i>The transaction does not feature non-sequential priority of payments.</i>		
See Prospectus, OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES		
Redemption Profile Sequential		
See Prospectus, TERMS AND CONDITIONS OF THE NOTES		
6. REDEMPTION		
6.2 Amortisation Period		
(b) During the Accelerated Amortisation Period		
See the GLOSSARY OF DEFINED TERMS		
"Accelerated Amortisation Period Priority of Payments" has the meaning given on page 96.		
See TRANSACTION OUTLINE		
Normal Amortisation Period Priority of Payments:		
Accelerated Amortisation Period Priority of Payments:		

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

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

46 STS Criteria

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

- (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;

2.2.20 R The transaction documentation must include appropriate early amortisation provisions or, in the case of a revolving securitisation, triggers for termination of the revolving period, including in the following circumstances:

- (1) the underlying exposures' credit quality deteriorating to or below a predetermined threshold;
- (2) an insolvency-related event with regard to the originator or the servicer occurring;
- (3) the value of the underlying exposures falling below a predetermined threshold (early amortisation event); and
- (4) failing to generate sufficient new underlying exposures meeting the predetermined credit quality (trigger for termination of the revolving period).

Verified?
YES

PCS Comments

See Prospectus, GLOSSARY OF DEFINED TERMS

"Revolving Period"

means the period commencing on (and including) the Closing Date and ending on the earlier of (a) the Payment Date (included) falling in [November] 2025 (the "Revolving Period End Date", and (b) the Payment Date (excluded) following the date on which a Revolving Period Termination Event occurs.

"Normal Amortisation Period"

means the period:

- (a) commencing on the earlier of:
 - (i) the Revolving Period End Date; or
 - (ii) the Payment Date following the date on which a Revolving Period Termination Event occurs (included), and
- (b) ending on the Payment Date following the date on which an Accelerated Amortisation Event occurs (excluded).

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

Class A Class B

"Revolving Period Termination Event"

means the occurrence of any of the following:

- (a) the amount credited to the Replenishment Ledger and remaining in the General Account (including without limitation, following such amounts as applied in accordance with the applicable Priority of Payments) on two (2) consecutive Payment Dates exceeds twenty per cent. (20%) of the Aggregate Outstanding Lease Principal Balance of the Initial Portfolio on the Initial Entitlement Date;
- (b) the Cumulative Default Ratio exceeds 4.0 per cent. on any Payment Date;
- (c) a Servicer Termination Event has occurred and is continuing;
- (d) a Fallback Sub-Maintenance Coordinator Termination Event has occurred and is continuing;
- (e) a Seller Event of Default has occurred and is continuing;
- (f) a Downgrade Event has occurred and no Back-Up Servicer or no Back-Up Fallback Sub- Maintenance Coordinator has been appointed within [one hundred and twenty (120)] calendar days following such event in accordance with the provisions of the Transaction Documents;
- (g) the Swap Counterparty ceases to have the Minimum Required Ratings set out in the Swap Agreement and the Swap Counterparty has failed to provide collateral in accordance with the provisions of the Swap Agreement and/or has not transferred or novated any and all of its rights and obligations with respect to the Swap Agreement to an eligible replacement having at least the required ratings set out in the Swap Agreement or has not procured an eligible guarantor having at least the required ratings set out in the Swap Agreement to guarantee any and all of its obligations under, or in connection with, the Swap Agreement;
- (h) on any Payment Date after giving effect to the Revolving Period Priority of Payments, there has been insufficient Available Distribution Amount in order to fund the Liquidity Reserve Account up to the Liquidity Reserve Required Amount, pursuant to item [(g)] of the Revolving Period Priority of Payments;
- (i) on any Payment Date, the amount standing to the credit of:
 - (i) the Commingling Reserve Account is lower than the Commingling Reserve Required Amount; and/or
 - (ii) the Set-Off Reserve Account is lower than the Set-Off Reserve Required Amount; and/or
 - (iii) the Maintenance Reserve Account is lower than the Maintenance Reserve Required Amount;
- (j) on any three consecutive Payment Dates after giving effect to the Revolving Period Priority of Payments, the Deficiency Level exceeds [0.1]% of the Aggregate Outstanding Principal Amount of all Classes of Notes;
- (k) the occurrence of a Sale Trigger Event; or
- (l) an Accelerated Amortisation Event has occurred and is continuing.

See above, "Revolving Period Termination Event", (b) and (j).

47	STS Criteria	Verified? YES
	<p>47. (b) the occurrence of an insolvency-related event with regard to the originator or the servicer;</p> <p>2.2.20 R The transaction documentation must include appropriate early amortisation provisions or, in the case of a revolving securitisation, triggers for termination of the revolving period, including in the following circumstances:</p> <p>(1) the underlying exposures' credit quality deteriorating to or below a predetermined threshold;</p>	

	<p>(2) an insolvency-related event with regard to the originator or the servicer occurring; (3) the value of the underlying exposures falling below a predetermined threshold (early amortisation event); and (4) failing to generate sufficient new underlying exposures meeting the predetermined credit quality (trigger for termination of the revolving period).</p>	
	<p>PCS Comments See point 46 above, "Revolving Period Termination Event", (c), (e).</p>	
<p>48</p>	<p>STS Criteria 48. (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event); 2.2.20 R The transaction documentation must include appropriate early amortisation provisions or, in the case of a revolving securitisation, triggers for termination of the revolving period, including in the following circumstances: (1) the underlying exposures' credit quality deteriorating to or below a predetermined threshold; (2) an insolvency-related event with regard to the originator or the servicer occurring; (3) the value of the underlying exposures falling below a predetermined threshold (early amortisation event); and (4) failing to generate sufficient new underlying exposures meeting the predetermined credit quality (trigger for termination of the revolving period).</p>	<p>Verified? YES</p>
	<p>PCS Comments See point 46 above, "Revolving Period Termination Event", (a) and (j). "Deficiency Level" [means, on each Payment Date falling during the Revolving Period, and following the application of the Available Distribution Amount in accordance with the Revolving Period Priority of Payments, after giving effect to items [(a)] to [(i)] of the Revolving Period Priority of Payments, the amount by which the Required Replenishment Amount is greater than zero.</p>	

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
	2.2.20 R The transaction documentation must include appropriate early amortisation provisions or, in the case of a revolving securitisation, triggers for termination of the revolving period, including in the following circumstances: (1) the underlying exposures' credit quality deteriorating to or below a predetermined threshold; (2) an insolvency-related event with regard to the originator or the servicer occurring; (3) the value of the underlying exposures falling below a predetermined threshold (early amortisation event); and (4) failing to generate sufficient new underlying exposures meeting the predetermined credit quality (trigger for termination of the revolving period).		
	PCS Comments	See point 46 above, "Revolving Period Termination Event", (a).	
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
	2.2.21 R The transaction documentation must clearly specify: (1) the servicer's, any trustee's and other ancillary service providers' contractual obligations, duties and responsibilities; (2) the processes and responsibilities necessary to ensure that the servicer's default or insolvency does not result in servicing terminating, such as a contractual provision enabling the servicer to be replaced in such cases; and (3) provisions ensuring derivative counterparties, liquidity providers and the account bank are replaced in the case of their default, insolvency and other specified events, where applicable.		
	PCS Comments	See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS 2. RECEIVABLES SERVICING AGREEMENT, 3. FALLBACK SUB-MAINTENANCE COORDINATOR AGREEMENT AND MAINTENANCE RESERVE GUARANTEE	

	<p>5. TRUST DEED</p> <p>6. ISSUER DEED OF CHARGE</p> <p>See underlying transaction documents.</p>	
<p>51</p>	<p>STS Criteria</p> <p>51. (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and</p> <p>2.2.21 R The transaction documentation must clearly specify:</p> <p>(1) the servicer's, any trustee's and other ancillary service providers' contractual obligations, duties and responsibilities;</p> <p>(2) the processes and responsibilities necessary to ensure that the servicer's default or insolvency does not result in servicing terminating, such as a contractual provision enabling the servicer to be replaced in such cases; and</p> <p>(3) provisions ensuring derivative counterparties, liquidity providers and the account bank are replaced in the case of their default, insolvency and other specified events, where applicable.</p> <p>PCS Comments</p> <p>See Prospectus, <i>DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS</i></p> <p>2. RECEIVABLES SERVICING AGREEMENT</p> <p>Appointment of Back Up Servicer</p> <p>If the Servicer has not procured for the appointment of a Back-Up Servicer pursuant to the terms of a back-up servicing agreement (the "Back-Up Receivables Servicing Agreement") within ninety (90) calendar days following the occurrence of a Downgrade Event and provided that no Servicer Termination Event has occurred, the Back-Up Servicer Facilitator shall identify and approach any potential Suitable Entity to act as Back-Up Servicer and, following such process, the Issuer shall appoint a Suitable Entity to act as Back-Up Servicer until the occurrence of a Servicer Termination Event. The Back Up Servicer will have to satisfy and meet the requirements and standards as set out in the Receivables Servicing Agreement.</p> <p>The Servicer must notify the parties to the Receivables Servicing Agreement in writing immediately on the occurrence of an Insolvency Event in relation to the Servicer or upon having the knowledge of the occurrence of a Commingling Reserve Trigger Event, a Maintenance Reserve Trigger Event, a Set-Off Reserve Trigger Event, a Sale Trigger Event or a Non-Insolvency Servicer Termination Event.</p> <p>On entry into the Back Up Receivables Servicing Agreement, whilst acting as Back Up Servicer, the Back Up Servicer will agree that it will promptly notify the Servicer if it requires any further assistance or information reasonably required by it in order to enable them to perform their roles or duties pursuant to the Back Up Receivables Servicing Agreement, such that in each case it is in a position that it is able, on its assumption of the Servicer role, to immediately perform services contained in the Back Up Receivables Servicing Agreement (together, the "Back Up Servicer Role").</p> <p>Upon the occurrence of a Servicer Termination Event, the Issuer shall:</p> <p>(a) forthwith activate the Back-Up Servicer if such Back-Up Servicer has already been appointed following the occurrence of a Downgrade Event; or</p> <p>(b) if the Servicer has not procured for the appointment of a Back-Up Servicer, (i) within thirty (30) calendar days following the occurrence of the Servicer Termination Event (other than an Insolvency Event of the Servicer) or (ii) upon the occurrence of an Insolvency Event of the Servicer, appoint another Suitable Entity,</p>	<p>Verified?</p> <p>YES</p>

	to act as Substitute Servicer to take over the tasks of the Servicer under the Receivables Servicing Agreement. See Prospectus, TRIGGERS TABLE, Servicer Termination Events	
52	STS Criteria 52. (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.	Verified? YES
	2.2.21 R The transaction documentation must clearly specify: (1) the servicer's, any trustee's and other ancillary service providers' contractual obligations, duties and responsibilities; (2) the processes and responsibilities necessary to ensure that the servicer's default or insolvency does not result in servicing terminating, such as a contractual provision enabling the servicer to be replaced in such cases; and (3) provisions ensuring derivative counterparties, liquidity providers and the account bank are replaced in the case of their default, insolvency and other specified events, where applicable.	
	PCS Comments <i>For Swap Counterparty</i> See Prospectus, <i>RISK FACTORS</i> 6. COUNTERPARTY RISKS (e) Interest rate risk on the Class A Notes resulting in the risk of Swap Counterparty insolvency Upon the termination of the Swap Agreement prior to the repayment of the Notes, the Issuer will use its reasonable efforts to find a replacement which is an Eligible Swap Counterparty. See Prospectus, TRIGGERS TABLES Swap Counterparty Ratings Trigger: [...] <i>For Account Bank</i> See Prospects, TRIGGERS TABLES <i>Account Bank Minimum Required Ratings: [...]</i> The consequences of breach are that the Account Bank's appointment may be terminated by the Issuer (such termination being effective on a replacement account bank being appointed by the Issuer) The Cash Manager and the Issuer shall within [thirty (30)] calendar days of the downgrade of the Account Bank below the minimum ratings required to be an Eligible Bank use commercially reasonable efforts to appoint a replacement financial institution or institutions which is an Eligible Bank as Account Bank. See underlying transaction documents: BANK ACCOUNT AGREEMENT 9. TERMINATION	

9.1 Termination Events
 For Liquidity Loan Provider
 RESERVE LOAN AGREEMENT

2. THE FACILITY

2.1 The Reserve Loan Provider grants to the Issuer simultaneously with the issue by the Issuer of the Notes on the Closing Date and upon the terms and subject to the conditions hereof and subject to the Issuer entering into the Transaction Documents to which it is a party, a Sterling loan facility (the "Facility") in an amount of up to the aggregate of the amounts referred to in this Clause 2 (The Facility) (the "Commitment") available by way of the following tranches:

(a) a tranche in an amount equal to the Liquidity Reserve Required Amount which shall be advanced by the Reserve Loan Provider to the Issuer on the Closing Date and shall be deposited by the Reserve Loan Provider in the Liquidity Reserve Account (the "Liquidity Reserve Advance");

3. DRAWDOWNS UNDER THE FACILITY

3.1 In respect of the Liquidity Reserve Advance:

(a) on the Closing Date, the Issuer (or the Cash Manager on its behalf) will deliver to the Reserve Loan Provider a notice substantially in the form set out in Schedule 1 (Drawdown Notice) to this Agreement (the "Drawdown Notice") specifying the amount of the Liquidity Reserve Advance under the Facility and requesting that such Liquidity Reserve Advance be made to the Issuer by crediting the Liquidity Reserve Account; and

(b) on each Payment Date falling before the Liquidity Reserve Final Utilisation Date, as long as no Accelerated Amortisation Event has occurred, the Reserve Loan Provider shall advance to the Issuer by crediting the Liquidity Reserve Account an amount equal to the difference (if such amount is greater than zero) between the Liquidity Reserve Required Amount and the amount standing to the credit of the Liquidity Reserve Account as at the Calculation Date immediately preceding such Payment Date.

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

53 STS Criteria

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

2.2.22 R The servicer must have:

- (1) expertise in servicing exposures of a similar nature to those securitised; and
- (2) well-documented and adequate policies, procedures and risk-management controls relating to the exposures' servicing.

**Verified?
YES**

PCS Comments

See Prospectus, Corporate Warranties

The Seller will make the following representations and warranties to the Issuer and the Issuer Security Trustee: (i) on the Closing Date, in relation to the Initial Portfolio; (ii) on each relevant Additional Portfolio Purchase Date, in relation to any Additional Portfolio; and (iii) upon the occurrence of a Sale Trigger Event, in relation to the Maintenance Lease Services Amounts, RV Claims and VAT Receivables sold on that date, and in each case with reference to the facts and circumstances then subsisting:

	(n) for the purposes of satisfying compliance with SECN 2.2.11R(5) and SECN 2.2.22R(1) of the UK STS Rules, it has an expertise of at least five (5) years prior to the Closing Date in originating and servicing exposures of a similar nature as the Lease Receivables; and <i>The EBA Guidelines provide that an entity that has serviced similar assets for at least five years will be deemed to meet the expertise criterion.</i>	
54	STS Criteria 54. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.	Verified? YES
	2.2.22 R The servicer must have: (1) expertise in servicing exposures of a similar nature to those securitised; and (2) well-documented and adequate policies, procedures and risk-management controls relating to the exposures' servicing.	
	PCS Comments See Prospectus, CHARACTERISTICS OF THE PORTFOLIO 2. SELLER'S ORIGATION AND UNDERWRITING PROCEDURES 3. SELLER'S SERVICING PROCEDURES See Prospectus, ARVAL UK LIMITED AS SELLER AND SERVICER See underlying transaction documents,. RECEIVABLES SERVICING AGREEMENT <i>Additional due diligence materials have been provided to PCS in connection with verifying these criteria.</i>	

Article 21.9. The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies

55	STS Criteria 55. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	Verified? YES
	2.2.23 R (1) The transaction documentation must clearly and consistently set out definitions, remedies and actions relating to: (a) delinquency and default of debtors; (b) debt restructuring; (c) debt forgiveness; (d) forbearance; (e) payment holidays; (f) losses; (g) charge offs; (h) recoveries; and (i) other asset performance remedies.	
	PCS Comments See Prospectus, CHARACTERISTICS OF THE PORTFOLIO 3. SELLER'S SERVICING PROCEDURES 3.3 Collections	

See RECEIVABLES SERVICING AGREEMENT
 SCHEDULE 1
 Servicing Procedures
 3. COLLECTIONS [

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

56	STS Criteria 56. The transaction documentation shall clearly specify the priorities of payment,	Verified? YES
	2.2.23 R (2) The transaction documentation must clearly specify: (a) <u>the priorities of payment and events triggering</u> any change to these; and (b) the obligation to report such events.	
	<p>PCS Comments</p> <p>See Prospectus, CREDIT STRUCTURE AND CASHFLOW</p> <p>Revolving Period Priority of Payments: Normal Amortisation Period Priority of Payments: Accelerated Amortisation Period Priority of Payments:</p> <p>See underlying transaction documents, CASH MANAGEMENT AGREEMENT</p> <p>8. APPLICATION OF AVAILABLE DISTRIBUTION AMOUNTS</p> <p>The Cash Manager shall apply the Available Distribution Amounts in accordance with the relevant Priority of Payments.</p> <p>Revolving Period Priority of Payments Normal Amortisation Period Priority of Payments Accelerated Amortisation Period Priority of Payments</p>	

57

STS Criteria

57. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.

2.2.23 R (2) The transaction documentation must clearly specify:

- (a) the priorities of payment and events triggering any change to these; and
- (b) the obligation to report such events.

Verified?
YES

PCS Comments

See Prospectus, GLOSSARY OF DEFINED TERMS

"Revolving Period"

means the period commencing on (and including) the Closing Date and ending on the earlier of (a) the Payment Date (included) falling in [November] 2025, and (b) the Payment Date (excluded) following the date on which a Revolving Period Termination Event occurs.

"Revolving Period Termination Event"

means the occurrence of any of the following: [...]

"Normal Amortisation Period"

means the period:

- (a) commencing on the earlier of:
 - (i) the Revolving Period End Date; or
 - (ii) the Payment Date following the date on which a Revolving Period Termination Event occurs (included), and
- (b) ending on the Payment Date following the date on which an Accelerated Amortisation Event occurs (excluded).

"Accelerated Amortisation Event"

means the delivery of a Note Acceleration Notice.

"Accelerated Amortisation Period"

means the period commencing on (and including) the Payment Date following the date on which an Accelerated Amortisation Event occurs.

"Note Acceleration Notice"

means a notice given to the Issuer by the Note Trustee of an Issuer Event of Default.

See Prospectus, *TERMS AND CONDITIONS OF THE NOTES*

9. ISSUER EVENTS OF DEFAULT

58	STS Criteria	Verified? YES
	58. The transaction documentation shall clearly specify the obligation to report such events. 2.2.23 R (2) The transaction documentation must clearly specify: (a) the priorities of payment and events triggering any change to these; and (b) <u>the obligation to report such events.</u>	
PCS Comments		
See Prospectus		
Reporting under the UK Securitisation Framework		
The Reporting Entity will:		
(a) publish a monthly investor report as required by and in accordance with SECN 6.2.1R(5) of the FCA Transparency Rules no later than one month following the due date for the payment of interest, which shall be provided and contain the information required by SECN 11 Annex 12R (the "UK Investor Report") and simultaneously with the publication of the information under paragraph (b) below. For the avoidance of doubt, such reporting shall include any change in the Priority of Payment which will materially affect the repayment of the Notes without undue delay;		
(b) publish on a monthly basis certain loan-by-loan information in relation to the Portfolio in respect of the relevant Collection Period as required by and in accordance with SECN 6.2.1R(1) of the FCA Transparency Rules and SECN 11 Annex 5R (no later than one month following the due date for the payment of interest and simultaneously with the publication of the report under paragraph (a) above, which shall be provided in the form of the standardised template set out in SECN 11 Annex 5R;		
(c) publish any information required to be reported pursuant to SECN 6.2.1R(6) and SECN 6.2.1R(7) (as applicable) of the FCA Transparency Rules without delay, which shall be provided in the form of accordance with SECN 11 Annex 14R); and		
59	STS Criteria	Verified? YES
	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. 2.2.23 R (3) Any change in the priorities of payments which will materially adversely affect a securitisation position's repayment must be reported to investors without undue delay.	
PCS Comments		
See Prospectus, REGULATORY REQUIREMENTS		
Reporting		
Reporting under the UK Securitisation Framework		
The Reporting Entity will:		
(a) publish a monthly investor report as required by and in accordance with SECN 6.2.1R(5) of the FCA Transparency Rules no later than one month following the due date for the payment of interest, which shall be provided and contain the information required by SECN 11 Annex 12R (the "UK Investor Report") and simultaneously with the publication of the		

information under paragraph (b) below. For the avoidance of doubt, such reporting shall include any change in the Priority of Payment which will materially affect the repayment of the Notes without undue delay;

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
	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	
	2.2.24 R The transaction documentation must include clear: <ul style="list-style-type: none"> (1) provisions facilitating timely resolution of conflicts between different classes of investors; (2) definitions of voting rights; (3) allocation of voting rights to classes of investor; and (4) identification of responsibilities of the trustee and other entities with fiduciary duties to investors. 	
PCS Comments		
<p>See Prospectus,</p> <p>(a) the method for calling meetings; as for method; [See Trust Deed , SCHEDULE 3, Provisions for Meetings of Noteholders (7.1)</p> <p>b) the maximum timeframe for setting up a meeting; See Trust Deed , SCHEDULE 3, Provisions for Meetings of Noteholders (7.1</p> <p>(c) the required quorum; See Prospectus, RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER ISSUER SECURED CREDITORS, Noteholders Meeting provisions, Quorum</p> <p>(d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision; and See Prospectus, RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER ISSUER SECURED CREDITORS, Noteholders Meeting provisions, Required majority:</p> <p>(e) where applicable, a location for the meetings which should be in the UK: See Trust Deed , SCHEDULE 3, Provisions for Meetings of Noteholders (7.2)</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.</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. The documentation covers the following:</i></p> <p><i>(a) the method for calling meetings; as for method; (b) the maximum timeframe for setting up a meeting; (c) the required quorum; (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision; and (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	<u>STS Criteria</u>	Verified? YES
	61. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	
	2.2.24 R The transaction documentation must include clear: 2.2.24 R (4) identification of responsibilities of the trustee and other entities with fiduciary duties to investors.	
<u>PCS Comments</u>		
See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS, 5. TRUST DEED		
See underlying transaction documents, TRUST DEED		
See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS, 6. ISSUER DEED OF CHARGE		
See underlying transaction documents, ISSUER DEED OF CHARGE		
See Prospectus, DESCRIPTION OF CERTAIN TRANSACTION DOCUMENTS, 7. ARVAL DEED OF CHARGE		
See underlying transaction documents, ARVAL DEED OF CHARGE		

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

62	<p>STS Criteria</p> <p>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,</p>	Verified? YES
	<p>2.2.25 R Before pricing or original commitment to invest, the originator and the sponsor must make available to potential investors:</p> <p>(1) data covering a period of at least 5 years about static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised; and</p> <p>(2) the sources of the data in (1) and the reasons those exposures are substantially similar exposures to those being securitised.</p>	
	<p>PCS Comments</p> <p>See Prospectus, HISTORICAL PERFORMANCE DATA</p> <p>The historical information and the other information set out below represent the historical experience of the Seller prepared on the basis of the internal data of the Seller. None of the Issuer Security Trustee, the Arval Security Trustee, the Note Trustee, the Arranger or the Lead Manager has undertaken or will undertake any investigation, review or searches to verify the historical information. In addition, the below information has not been audited by any auditor.</p> <p>Because this historical information was extracted for the period from [January 2018] to [March] 2024, a significant number of Lease Receivables assigned to the Issuer may not have arisen from a Lease Agreement being part of the provisional portfolio of Lease Receivables. In addition, the future performance of the Lease Receivables might differ from this historical information and such differences might be significant. Actual performance may be influenced by a variety of economic, geographic and other factors beyond the control of the Seller. It may also be influenced by changes in the Seller’s origination and underwriting and servicing procedures.</p> <p>Cumulative Default Rates</p> <p>The cumulative default rates data displayed below are in static format and show the cumulative defaulted amounts recorded after the specified number of quarters since origination, for each portfolio of lease receivables originated in a particular vintage quarter, expressed as a percentage of the aggregate initial outstanding lease amount of all lease receivables originated during this particular vintage quarter of origination.</p> <p>Cumulative Recovery Rates</p> <p>For each portfolio of lease receivables classified as defaulted during a particular vintage, the cumulative recovery rates data displayed below are in static format and represent the cumulative recoveries (including vehicle sales proceeds, insurance payments and recoveries on the lessees) after the specified number of quarters by the Seller under such lease receivables in accordance with its servicing procedures, expressed as a percentage of the aggregate defaulted amount of all lease receivables classified as defaulted during the vintage quarter considered.</p> <p>Delinquency Rates</p> <p>For any given month, the delinquency rate for a given delinquency bucket indicates the ratio of (i) the aggregate outstanding lease amount (including arrears) of all delinquent lease receivables in such delinquency bucket (including any defaulted receivables) to (ii) the aggregate outstanding lease amount (including arrears) of all lease receivables (including defaulted receivables) at the start of such month.</p> <p>Dynamic Early Termination Payment Rates</p>	

	The early termination payment rate for a given month is defined as the annualised ratio of (i) the aggregate outstanding lease amount of lease receivables terminated prior to their maturity date during each such month to (ii) the aggregate outstanding lease amount of all lease receivables at the end of each previous month.	
63	STS Criteria	Verified? YES
	63. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.	
	2.2.25 R (2) the sources of the data in (1) and the reasons those exposures are substantially similar exposures to those being securitised.	
	PCS Comments See comment 62 above.	
64	STS Criteria	Verified? YES
	64. Those data shall cover a period no shorter than five years.	
	2.2.25 R (1) data covering a period of at least 5 years about static and dynamic historical default and loss performance, such as delinquency and	
	PCS Comments See comment 62 above.	

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

65	STS Criteria	Verified? YES
	65. A sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party,	
	2.2.26 R (1) An appropriate and independent external party must verify a sample of the underlying exposures before the securities resulting from the securitisation are issued.	
	PCS Comments See Prospectus, 4. INFORMATION RELATING TO THE PROVISIONAL PORTFOLIO AND HISTORICAL DATA External verification of a sample of underlying exposures [An appropriate and independent third party has performed: (a) an agreed upon procedures (AUP) review on a representative sample of the provisional portfolio of Lease Receivables in existence as of 31 March 2024, applying a confidence level of at least [98] per cent. prior to the issuance of the Notes, including verification that the data disclosed in respect of the Lease Receivables is accurate; (b) a review on the provisional portfolio of Lease Receivables in existence as of 5 September 2024 of (i) the compliance of the provisional portfolio with the Eligibility Criteria that were able to be tested prior to issuance of the Notes and (ii) the data in respect of stratification tables disclosed in respect of the underlying exposures being accurate.	

	<p>The third party undertaking the review only has obligations to the parties to the engagement letters governing the performance of the agreed upon procedures subject to the limitations and exclusions contained therein. The Seller confirms that no significant adverse findings have been found.]</p> <p><i>PCS has reviewed information provided in connection with the auditor's report on "agreed upon procedures" (AUP) commonly known as a "pool audit". PCS can confirm that this was done by an appropriate and independent third party.</i></p>	
66	<p>STS Criteria</p> <p>66. Including verification that the data disclosed in respect of the underlying exposures is accurate.</p>	<p>Verified? YES</p>
	<p>2.2.26 R (2) That verification must confirm that the data disclosed in respect of the underlying exposures is accurate.</p>	
	<p>PCS Comments</p> <p><i>See comment 65 above.</i></p>	
<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.</p>		
67	<p>STS Criteria</p> <p>67. The originator or the sponsor shall, before the pricing of the securitisation, make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.</p>	<p>Verified? YES</p>
	<p>2.2.27 R (1) Before pricing or original commitment to invest, the originator or the sponsor must make available to potential investors a liability cashflow model precisely representing the contractual relationship between the underlying exposures and the payments flowing between: (a) the originator; (b) the sponsor; (c) the investors; (d) other third parties; and (e) the SSPE.</p>	
	<p>PCS Comments</p> <p>See Prospectus, Cashflow model</p> <p>For the purpose of compliance with SECN 2.2.27R the Issuer shall make available on Intex and Bloomberg a cash flow model, either directly or indirectly through one or more entities which provide such cash flow models to investors generally. The Issuer shall procure that such cash flow model (i) precisely represents the contractual relationship between the Lease Receivables and the payments flowing between the Seller, investors in the Notes, other third parties and the Issuer, and (ii) is made available to investors in the Notes before pricing of the Notes and on an ongoing basis and to potential investors in the Notes upon request.</p> <p><i>PCS has received evidence of the liability cash flow model to be made available.</i></p>	
68	<p>STS Criteria</p> <p>68. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>	<p>Verified?</p>

	<p>2.2.27 R (2) After pricing or original commitment to invest, the originator or the sponsor must continually make that model available to investors and potential investors on request.</p>	<p>YES</p>
	<p>PCS Comments</p> <p>See comment 67 above.</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 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.</i></p>	
<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).</p>		
<p>69</p>	<p>STS Criteria</p> <p>69. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).</p> <p>2.2.28 R For a securitisation whose underlying exposures are residential loans or auto loans or leases, the originator and sponsor must publish the available information about the environmental performance of the assets financed by such residential loans or auto loans or leases as part of the information disclosed pursuant to SECN 6.2.1R(1).</p>	<p>Verified? YES</p>
	<p>PCS Comments</p> <p>See Prospectus, Environmental Performance Reporting</p> <p>For the purpose of compliance with SECN 2.2.28R of the UK STS Rules and Article 22(4) of the EU Securitisation Regulation, the Servicer confirms that it will publish information on the environmental performance of the Leased Vehicles relating to the Lease Receivables to be reported pursuant to SECN 2.2.28R of the UK STS Rules (before pricing or original commitment to invest and on an ongoing basis as part of the information disclosed pursuant to SECN 6.2.1 R(1) of the FCA Transparency Rules to be made available to investors after closing of the transaction) and Article 22(4) of the EU Securitisation Regulation on the Closing Date and on an ongoing basis as part of the information disclosed pursuant to SECN 6.2.1 R(1) of the FCA Transparency Rules and part (a) of Article 7(1) of the EU Securitisation Regulation.</p>	
<p>Article 22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form.</p>		
<p>70</p>	<p>STS Criteria</p> <p>70. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p>	<p>Verified?</p>

<p>6.3.1 R (1) The originator, sponsor and SSPE of a securitisation must designate one of their number to be the entity responsible for fulfilling the information requirements under SECN 6.2.1R(1), SECN 6.2.1R(2), SECN 6.2.1R(4), SECN 6.2.1R(5), SECN 6.2.1R(6) and SECN 6.2.1R(7). (2) Such designation does not relieve the other parties referred to in SECN 6.3.1R of their responsibilities under SECN 6.2.</p>	YES
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PCS Comments

See Prospectus, REGULATORY REQUIREMENTS.

Reporting

Designation

For the purposes of the FCA Transparency Rules and in accordance with SECN 6.3.1R of the FCA Transparency Rules, the Issuer has been designated as the entity to fulfil the requirements of the FCA Transparency Rules and will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf. The Issuer shall comply with the disclosure obligations imposed on originators under the FCA Transparency Rules provided that the Issuer will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond its control after having used reasonable efforts to comply with the relevant requirements applicable to it under the UK Securitisation Framework.

The Seller, as originator, is responsible for compliance with SECN 2.2.29R and 6.3.1R in respect of the FCA Transparency Rules.

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	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>2.2.29 R (1) Before pricing or original commitment to invest, the following information must be made available to potential investors:</p> <p>(a) that required by SECN 6.2.1R(1); and</p> <p>(b) at least in draft or initial form, that required by SECN 6.2.1R(2) to SECN 6.2.1R(4).</p> <p>6.2.1 R The originator, sponsor and SSPE of a securitisation shall, in accordance with SECN 6.3, SECN 11 and SECN 12 make at least the following information available to holders of a securitisation position, to the FCA and, upon request, to potential investors:</p> <p>(1) information on the underlying exposures on a quarterly basis, or, in the case of asset backed commercial paper, information on the underlying receivables or credit claims on a monthly basis;</p>	
<p>PCS Comments</p> <p>See Prospectus, REGULATORY REQUIREMENTS.</p> <p>Reporting</p> <p>Reporting under the UK Securitisation Framework</p> <p>Separately, it should be noted that the information required under SECN 2.2.25, SECN 2.2.27 and 2.2.28 (inclusive) of the UK STS Rules will be made available by the Seller before pricing or original commitment to invest, and the information required under SECN 2.2.27 will be made available by the Seller to investors and potential investors on request. In accordance with SECN 2.2.29, before pricing or original commitment to invest, the following information will be made available by the Seller: (i) information required by SECN 6.2.1R(1) of the FCA Transparency Rules and (ii) at least in draft or initial form, information required by SECN 6.2.1R(2) to (4) (inclusive) of the FCA Transparency Rules. The final documentation will be made available to investors at the latest 15 days after the Closing Date.</p>		
72	<p>STS Criteria</p> <p>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.</p>	<p>Verified? YES</p>
	<p>2.2.29 R (1) Before pricing or original commitment to invest, the following information must be made available to potential investors:</p> <p>(a) that required by SECN 6.2.1R(1); and</p> <p>(b) at least in draft or initial form, that required by SECN 6.2.1R(2) to SECN 6.2.1R(4).</p> <p>2.2.29 R (2) The final documentation must be made available to investors at the latest 15 days after closing of the transaction.</p> <p>6.2.1 R The originator, sponsor and SSPE of a securitisation shall, in accordance with SECN 6.3, SECN 11 and SECN 12 make at least the following information available to holders of a securitisation position, to the FCA and, upon request, to potential investors:</p> <p>6.2.1 R (2) all underlying documentation essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:</p> <p>(a) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;</p>	

(b) for traditional securitisation, the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;

(c) the derivatives and guarantee agreements, as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;

(d) the servicing, back-up servicing, administration and cash management agreements;

(e) 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;

6.2.1 R (3) where section 85 of the Act (Contravention of prohibition relating to public offer of securities) and rules made by the FCA for the purposes of Part 6 of the 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:

(a) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;

(b) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;

(c) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors; and

(d) a list of all triggers and events referred to in the documents provided in accordance with SECN 6.2.1R(2) that could have a material impact on the performance of the securitisation position;

6.2.1 R (4) in the case of STS securitisations, the STS notification referred to in SECN 2.5;

6.2.2 R (2) The information described in SECN 6.2.1R(2), SECN 6.2.1R(3) and SECN 6.2.1R(4) must be made available before pricing or original commitment to invest in draft or initial form. Final versions of this information must be made available at the latest 15 days after closing of the transaction.

PCS Comments

See Prospectus, REGULATORY REQUIREMENTS.

Reporting

Reporting under the UK Securitisation Framework

The Reporting Entity will:

Separately, it should be noted that the information required under SECN 2.2.25, SECN 2.2.27 and 2.2.28 (inclusive) of the UK STS Rules will be made available by the Seller before pricing or original commitment to invest, and the information required under SECN 2.2.27 will be made available by the Seller to investors and potential investors on request. In accordance with SECN 2.2.29, before pricing or original commitment to invest, the following information will be made available by the Seller: (i) information required by SECN 6.2.1R(1) of the FCA Transparency Rules and (ii) at least in draft or initial form, information required by SECN 6.2.1R(2) to (4) (inclusive) of the FCA Transparency Rules. The final documentation will be made available to investors at the latest 15 days after the Closing Date.

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

73	<u>STS Criteria</u>	<u>Verified?</u> YES
	73. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.	
	<p>6.2.2 R (2) The information described in SECN 6.2.1R(2), SECN 6.2.1R(3) and SECN 6.2.1R(4) must be made available before pricing or original commitment to invest in draft or initial form. Final versions of this information must be made available at the latest 15 days after closing of the transaction.</p> <p>2.2.29 R (2) The final documentation must be made available to investors at the latest 15 days after closing of the transaction.</p>	
<u>PCS Comments</u>		
See Prospectus, REGULATORY REQUIREMENTS.		
Reporting		
Reporting under the UK Securitisation Framework		
The Reporting Entity will:		
Separately, it should be noted that the information required under SECN 2.2.25, SECN 2.2.27 and 2.2.28 (inclusive) of the UK STS Rules will be made available by the Seller before pricing or original commitment to invest, and the information required under SECN 2.2.27 will be made available by the Seller to investors and potential investors on request. In accordance with SECN 2.2.29, before pricing or original commitment to invest, the following information will be made available by the Seller: (i) information required by SECN 6.2.1R(1) of the FCA Transparency Rules and (ii) at least in draft or initial form, information required by SECN 6.2.1R(2) to (4) (inclusive) of the FCA Transparency Rules. The final documentation will be made available to investors at the latest 15 days after the Closing Date.		
<i>This criterion speaks to document disclosure within 15 days of closing and therefore is a future event criterion. In other words, it cannot be either met or failed at the outset of the transaction. But if it is not met within the specified 15-day period, then the Originator will need to inform the FCA and the STS status of the securitisation will be lost.</i>		
<i>Therefore, as a technical matter, this criterion is not applicable at the closing of a transaction. However, PCS will nevertheless look to see if there is a covenant on the part of the originator to comply in the future with this requirement whilst noting at the same time that the absence of any such covenant – although possibly unsettling for some investors – would not invalidate the STS status of the transaction at closing.</i>		

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

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

74 **STS Criteria**

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

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

6.2.1 R The originator, sponsor and SSPE of a securitisation shall, in accordance with SECN 6.3, SECN 11 and SECN 12 make at least the following information available to holders of a securitisation position, to the FCA and, upon request, to potential investors:

(1) information on the underlying exposures on a quarterly basis, or, in the case of asset backed commercial paper, information on the underlying receivables or credit claims on a monthly basis;

Verified?
YES

PCS Comments

See Prospectus, REGULATORY REQUIREMENTS.

Reporting

Reporting under the UK Securitisation Framework

The Reporting Entity will:

(a) publish a monthly investor report as required by and in accordance with SECN 6.2.1R(5) of the FCA Transparency Rules no later than one month following the due date for the payment of interest, which shall be provided and contain the information required by SECN 11 Annex 12R (the "UK Investor Report") and simultaneously with the publication of the information under paragraph (b) below. For the avoidance of doubt, such reporting shall include any change in the Priority of Payment which will materially affect the repayment of the Notes without undue delay;

(b) publish on a monthly basis certain loan-by-loan information in relation to the Portfolio in respect of the relevant Collection Period as required by and in accordance with SECN 6.2.1R(1) of the FCATransparency Rules and SECN 11 Annex 5R (no later than one month following the due date for the payment of interest and simultaneously with the publication of the report under paragraph (a) above, which shall be provided in the form of the standardised template set out in SECN 11 Annex 5R;

Please see notes in comment 73 above regarding future event criteria.

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	<p>STS Criteria</p> <p>75. (b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:</p> <ul style="list-style-type: none"> (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; 	<p>Verified? YES</p>
<p>6.2.1 R (2) all underlying documentation essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:</p> <ul style="list-style-type: none"> (a) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions; (b) for traditional securitisation, the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust; (c) the derivatives and guarantee agreements, as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator; (d) the servicing, back-up servicing, administration and cash management agreements; (e) 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; (f) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements; and 		

PCS Comments

See Prospectus, REGULATORY REQUIREMENTS.

Reporting

Reporting under the UK Securitisation Regulation

The Reporting Entity will:

(d) as required by SECN 6.2.1R(4) (i) make available copies of the UK STS Notification to investors, and in the case of primary market investments: (1) before pricing or commitment to invest in draft or initial form; (2) no later than 15 days after closing of the transaction in final form; and (3) an updated version as soon as practicable following any material change (in each case prepared in accordance with the SECN 2.5, SECN 2.6 and SECN 2.7), the Transaction Documents and this Prospectus.

See Prospectus, GLOSSARY OF DEFINED TERMS.

"Transaction Documents"

means the Agency Agreement, the Bank Account Agreement, the Cash Management Agreement, the Corporate Services Agreement, the Issuer Deed of Charge, the Arval Deed of Charge, the Master Definitions Schedule, the Receivables Purchase Agreement, any Transfer Notice, the Receivables Servicing Agreement, the Fallback Sub-Maintenance Coordinator Agreement, the Maintenance Reserve Guarantee, the Reserve Loan Agreement, the Swap Agreement, the Trust Deed, the Seller Collection Account Declaration of Trust, the Issuer Power of Attorney, the Seller Power of Attorney, the Fee Letters, the Data Protection Agency Agreement, each Scottish Declaration of Trust, each Scottish Supplemental Charge and any other agreement or document from time to time designated as such by the Issuer and the Issuer Security Trustee.

Please see notes in comment 73 above regarding future event criteria.

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

76	<u>STS Criteria</u> 76. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;	<u>Verified?</u> YES
	6.2.1 R (g) a detailed description of the priority of payments of the securitisation;	
	<p><u>PCS Comments</u></p> <p>See Prospectus, TERMS AND CONDITIONS OF THE NOTES</p> <p>6. REDEMPTION</p> <p>6.1 During the Revolving Period</p> <p>6.2 Amortisation Period</p> <p>(a) During the Normal Amortisation Period</p> <p>(b) During the Accelerated Amortisation Period</p> <p>CREDIT STRUCTURE AND CASHFLOW</p> <p>Revolving Period Priority of Payments: [...]</p> <p>Normal Amortisation Period Priority of Payments: [...]</p> <p>Accelerated Amortisation Period Priority of Payments: [...]</p> <p>See underlying transaction documents, Cash Management Agreement</p> <p>8. APPLICATION OF AVAILABLE DISTRIBUTION AMOUNTS</p> <p>Revolving Period Priority of Payments</p> <p>Normal Amortisation Period Priority of Payments</p> <p>Accelerated Amortisation Period Priority of Payments</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 authorities 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> <p>(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;</p> <p>(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;</p> <p>(iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;</p> <p>(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>		
77	<p>STS Criteria</p> <p>77. (c) section 85 of the 2000 Act (prohibition of dealing etc in transferable securities without approved prospectus) and rules made by the FCA for the purposes of Part 6 of the 2000 Act (official listing) do not require a prospectus to be drawn up, a transaction summary or overview of the main features of the securitisation, including, where applicable:</p> <p>(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;</p> <p>(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;</p> <p>(iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;</p> <p>(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>6.2.1 R (3) where section 85 of the Act (Contravention of prohibition relating to public offer of securities) and rules made by the FCA for the purposes of Part 6 of the 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> <p>(a) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;</p> <p>(b) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;</p> <p>(c) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors; and</p> <p>(d) a list of all triggers and events referred to in the documents provided in accordance with SECN 6.2.1R(2) that could have a material impact on the performance of the securitisation position;</p>	
	<p>PCS Comments</p> <p><i>The Prospectus serves as the transaction summary in this transaction.</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 authorities referred to in Article 29 and, upon request, to potential investors:

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

78	<u>STS Criteria</u>	Verified? YES
	78. (d) in the case of STS securitisations, the STS notification referred to in Article 27;	
	6.2.1 R (4) in the case of STS securitisations, the STS notification referred to in SECN 2.5;	
<u>PCS Comments</u>		
See Prospectus, REGULATORY REQUIREMENTS.		
Reporting		
Reporting under the UK Securitisation Framework		
The Reporting Entity will:		
(d) as required by SECN 6.2.1R(4) (i) make available copies of the UK STS Notification to investors, and in the case of primary market investments: (1) before pricing or commitment to invest in draft or initial form; (2) no later than 15 days after closing of the transaction in final form; and (3) an updated version as soon as practicable following any material change (in each case prepared in accordance with the SECN 2.5, SECN 2.6 and SECN 2.7), the Transaction Documents and this Prospectus.		
<i>(Please see notes in comment 73 above regarding future event criteria.</i>		

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

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

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

79 **STS Criteria**

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

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

6.2.1 R (5) quarterly investor reports, or, in the case of asset backed commercial paper, monthly investor reports, containing at least the following:

- (a) all materially relevant data on the credit quality and performance of underlying exposures;
- (b) information on events which trigger changes in the priority of payments or the replacements of any counterparties, and, in the case of a securitisation which is not an ABCP transaction or an ABCP programme, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation; and
- (c) information about the risk retained, including information on which of the modalities provided for in SECN 5.6.15R has been applied, in accordance with SECN 5, SECN 11 and SECN 12.

Verified?
YES

PCS Comments

See Prospectus, REGULATORY REQUIREMENTS.

Reporting

Reporting under the UK Securitisation Framework

The Reporting Entity will:

- (a) publish a monthly investor report as required by and in accordance with SECN 6.2.1R(5) of the FCA Transparency Rules no later than one month following the due date for the payment of interest, which shall be provided and contain the information required by SECN 11 Annex 12R (the "UK Investor Report") and simultaneously with the publication of the information under paragraph (b) below. For the avoidance of doubt, such reporting shall include any change in the Priority of Payment which will materially affect the repayment of the Notes without undue delay;

Please see notes in comment 73 above regarding future event criteria.

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

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

80	STS Criteria 80. (f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;	Verified? YES
	6.2.1 R (6) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of the Market Abuse Regulation;	
PCS Comments See Prospectus, REGULATORY REQUIREMENTS. Reporting Reporting under the UK Securitisation Framework The Reporting Entity will: (c) publish any information required to be reported pursuant to SECN 6.2.1R(6) and SECN 6.2.1R(7) (as applicable) of the FCA Transparency Rules without delay, which shall be provided in the form of accordance with SECN 11 Annex 14R); and <i>Please see notes in comment 73 above regarding future event criteria.</i>		

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

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

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

81 **STS Criteria**

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

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

6.2.1 R (7) where SECN 6.2.1R(6) does not apply, any significant event, such as:

- (a) a material breach of the obligations provided for in the documents made available in accordance with SECN 6.2.1R(2), including any remedy, waiver or consent subsequently provided in relation to such a breach;
- (b) a change in the structural features that can materially impact the performance of the securitisation;
- (c) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;
- (d) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where the FCA or PRA have taken remedial or administrative actions; and
- (e) any material amendment to transaction documents.

Verified?
YES

PCS Comments

See Prospectus, REGULATORY REQUIREMENTS.

Reporting

Reporting under the UK Securitisation Framework

The Reporting Entity will:

(c) publish any information required to be reported pursuant to SECN 6.2.1R(6) and SECN 6.2.1R(7) (as applicable) of the FCA Transparency Rules without delay, which shall be provided in the form of accordance with SECN 11 Annex 14R); and

Please see notes in comment 73 above regarding future event criteria.

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

82 **STS Criteria**

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

Verified?
YES

6.2.2 R (1) The information described in SECN 6.2.1R(1) and SECN 6.2.1R(5) shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest or, in the case of ABCP transactions, at the latest one month after the end of the period the report covers.

PCS Comments

See Prospectus, REGULATORY REQUIREMENTS.

Reporting

Reporting under the UK Securitisation Framework

The Reporting Entity will:

(a) publish a monthly investor report as required by and in accordance with SECN 6.2.1R(5) of the FCA Transparency Rules no later than one month following the due date for the payment of interest, which shall be provided and contain the information required by SECN 11 Annex 12R (the "UK Investor Report") and simultaneously with the publication of the information under paragraph (b) below. For the avoidance of doubt, such reporting shall include any change in the Priority of Payment which will materially affect the repayment of the Notes without undue delay;

(b) publish on a monthly basis certain loan-by-loan information in relation to the Portfolio in respect of the relevant Collection Period as required by and in accordance with SECN 6.2.1R(1) of the FCA Transparency Rules and SECN 11 Annex 5R (no later than one month following the due date for the payment of interest and simultaneously with the publication of the report under paragraph (a) above, which shall be provided in the form of the standardised template set out in SECN 11 Annex 5R;

(Please see notes in comment 73 above regarding future event criteria.

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

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

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

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

83	STS Criteria	Verified? YES
	83. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay	
	6.2.4 R Without prejudice to the provisions of the Market Abuse Regulation, the information described in SECN 6.2.1R(6) and SECN 6.2.1R(7) shall be made available without delay.	
	<p>PCS Comments</p> <p>See Prospectus, REGULATORY REQUIREMENTS.</p> <p>Reporting</p> <p>Reporting under the UK Securitisation Framework</p> <p>The Reporting Entity will:</p> <p>(c) publish any information required to be reported pursuant to SECN 6.2.1R(6) and SECN 6.2.1R(7) (as applicable) of the FCA Transparency Rules without delay, which shall be provided in the form of accordance with SECN 11 Annex 14R); and</p> <p><i>Please see notes in comment 73 above regarding future event criteria.</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 where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.

84 **STS Criteria**

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

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

Or

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

Verified?
YES

6.3.1 R (1) The originator, sponsor and SSPE of a securitisation must designate one of their number to be the entity responsible for fulfilling the information requirements under SECN 6.2.1R(1), SECN 6.2.1R(2), SECN 6.2.1R(4), SECN 6.2.1R(5), SECN 6.2.1R(6) and SECN 6.2.1R(7).

6.3.2 R The reporting entity shall make the information for a securitisation transaction available by means of a securitisation repository registered by the FCA.

PCS Comments

See Prospectus, REGULATORY REQUIREMENTS.

Reporting

Designation

For the purposes of the FCA Transparency Rules and in accordance with SECN 6.3.1R of the FCA Transparency Rules, the Issuer has been designated as the entity to fulfil the requirements of the UK Transparency Rules and will either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf. The Issuer shall comply with the disclosure obligations imposed on originators under the FCA Transparency Rules provided that the Issuer will not be in breach of such undertaking if it fails to so comply due to events, actions or circumstances beyond its control after having used reasonable efforts to comply with the relevant requirements applicable to it under the UK Securitisation Framework

Reporting under the UK Securitisation Framework

The Reporting Entity will:

The Reporting Entity undertakes that it will procure that the information referred to above is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes on the website of European Data Warehouse at <https://editor.eurodw.co.uk> and that the private securitisation notification is made, if applicable, to the FCA, the Bank of England, the PRA and/or the Pensions Regulator.

The transaction if technically private and therefore no UK registered securitisation repository is required.

<i>Please see notes in comment 73 above regarding future event criteria.</i>	
85	<p>STS Criteria</p> <p>85. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.</p>
	<p>6.3.5 R In relation to SECN 6.3.2R and SECN 6.3.4R, the reporting entity and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.</p>
	<p>PCS Comments</p> <p>See point 84 above.</p> <p><i>Please see notes in comment 73 above regarding future event criteria.</i></p>
<p>Verified? YES</p>	